

TECHNOPAINTS AND CHEMICALS LIMITED ("The Company")

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING
WITH RELATED PARTY TRANSACTIONS**

(Effective from 10.09.2026 approved by Board of Director on 09.09.2026)

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1. Introduction and Background:

Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulations 23 read with 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time, the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Technopaints and Chemicals Limited ("Company") recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests. (Effective from 10.09.2026 approved by Board of Director on 09.09.2026)

2. Scope & Inclusion:

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. Terms and References:

Materiality of related party transactions

Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statement or such sum as may be prescribed under SEBI Listing Regulations and as amended from time to time.



A transaction involving payments made to related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

4. Policy

4.1 All related party contracts / arrangements shall be entered on arms' length basis.

4.2 In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arm's length, after approval from Audit Committee and the Board of Directors, as the case may be.

4.3 All related party contract / arrangements shall be in compliance with the provisions of the Companies Act, 2013, (the 'Act'), SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time.

4.4 All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

4.5 All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

4.6 All related party contracts / arrangements shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the SEBI Listing Regulations.

4.7 All material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

5. Exemption from Applicability of the Policy

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, the following Related Party Transactions shall not require approval of the Audit Committee or Shareholders:

- a. Transactions entered into between (i) the Company and its wholly owned subsidiary or (ii) two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- b. Such other transactions as prescribed under applicable law.

6. Amendment

Any subsequent amendment / modification in the SEBI Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

7. Review

6.1. This Policy will be reviewed as and when required but atleast once in three years.

6.2. The Company Secretary and Chief Financial Officer are jointly authorized to propose amendments to this Policy to make it consistent with the prevailing provisions of the Act and the Listing Regulations, which shall be placed before the Audit Committee and the Board for their approval.

