



**CHOKSI ASIA LIMITED**  
(Formerly Known as CHOKSI IMAGING LIMITED)

## **POLICY ON RELATED PARTY TRANSACTIONS**

### **INTRODUCTION:**

The Board of Directors (the "Board") of Choksi Asia Limited (the "Company") has adopted this policy and procedures with regard to Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 read with Rules made thereunder (the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

### **OBJECTIVE OF THE POLICY:**

The objective of this Policy is to set out (a) the basis of identifying related parties of the Company as well as related party transactions; (b) the materiality thresholds for related party transactions, based on the Act, SEBI Listing Regulation and any other laws and regulations as may be applicable to the Company; (c) the manner of dealing with the transactions between the Company, whenever applicable, and its related parties, based on the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

### **APPLICABILITY:**

This Policy shall be applicable to all Related Party Transactions entered by the Company and its subsequent material modifications.

### **DEFINITION:**

**a. Words, Terms and Expressions used in this Policy**

Unless the context otherwise requires, the words, terms, and expressions used in this Policy shall have the same meaning as assigned to them under the Act, SEBI Listing Regulations, and other applicable laws and regulations, as amended from time to time.

**b. Material Modifications**

Material Modifications means any change in the value of transaction exceeding 20% of the value of the original transaction with the related party already approved by the Audit Committee / Board / Shareholders.

**c. Monetary Value**

Monetary value of related party transactions approved by the Audit Committee or Board or Shareholders, as the case may be, shall be exclusive of any applicable taxes thereon viz. GST, cess etc.

### **IDENTIFICATION OF RELATED PARTIES AND TRANSCATIONS:**

Each Director and Key Managerial Personnel is responsible for providing requisite information regarding their related parties, at the time of appointment, beginning of every financial year and any change in the information provided, to the Secretarial Department of the Company.

Pursuant to the above, a list of Related Parties shall be prepared by the Secretarial Department, in accordance with the provisions of the Act, SEBI Listing Regulations and other applicable laws and regulations, as amended from time to time.



## **Policy on Related Party Transactions**

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The Company will identify potential transactions with Related Parties based on information received from its Directors and Key Managerial Personnel, in the manner prescribed in the Act and SEBI Listing Regulations and other applicable laws and regulations, as amended from time to time.

The Secretarial Department is responsible for maintaining a record of all Related Parties of the Company and the transactions with all Related Parties.

The Company shall place the transactions to be entered into with related parties for necessary approvals required under the applicable law.

### **PROCEDURE FOR APPROVAL OF THE RELATED PARTY TRANSACTIONS:**

#### **Approval of Audit Committee**

All Related Party Transactions, except the transactions which are exempted under SEBI Listing Regulations, and subsequent material modifications therein, shall require prior approval of the Audit Committee. The Audit Committee may grant approval in accordance with provisions of the Act and SEBI Listing Regulations. Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- a. The value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- b. The transaction is not material under sub-regulation (1) of Regulation 23;
- c. Rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- d. The details of such ratifications are disclosed along with the disclosures of related party transactions under Regulation 23(9).
- e. Any other condition as specified by the audit committee

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

The Audit Committee may grant an omnibus approval for RPT proposed to be entered into by the Company or its subsidiary which are repetitive in nature and subject to such criteria/conditions as mentioned under the Act, SEBI Listing Regulations and such other conditions as it may consider necessary in the interest of the Company. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Omnibus approval shall specify:

- a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that can be entered into,
- b. the indicative base price/current contracted price and the formula for variation in the price, if any, and
- c. such other conditions as the Audit Committee may deem fit.



## **Policy on Related Party Transactions**

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Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

### **Approval of the Board of Directors**

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any Director is interested in any Related Party Transaction, such Director will abstain from discussion and voting on the resolution relating to such transaction.

### **Approval of the shareholders**

All Material Related Party Transactions and subsequent material modifications shall require approval of the shareholders and No related party shall vote to approve relevant shareholders resolutions irrespective of whether the entity is a related party to the particular transaction or not.

### **DISCLOSURE:**

The policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.

In addition, the Company shall make disclosures in respect of Related Party Transactions as per the requirements of Act, SEBI Listing Regulations and the relevant accounting standards and host the same on the Company's website.

### **AMENDMENT:**

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

The Board of Directors on recommendation of the Audit Committee shall review the policy atleast once in every three years. However, the Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.

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