



O. P. CHAINS LIMITED

Regd Off: 8/16 A, Seth Gali, Agra-282003 Uttar Pradesh
(CIN: L27205UP2001PLC026372)

POLICY ON RELATED PARTY TRANSACTIONS

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

1. SCOPE AND PURPOSE OF THE POLICY

O. P. Chains Limited ('the Company'), being a company listed on the SME platform of the stock exchange, recognizes the importance of transparency and governance in dealings with Related Parties. This Policy on Material Related Party Transactions ('Policy') has been formulated to comply with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and other applicable laws and regulations.

The objective is to ensure proper approval, disclosure and reporting of transactions between the Company and its Related Parties, thereby safeguarding the interests of stakeholders and ensuring fairness in all related party dealings.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out

- a) Define and classify related party transactions and material related party transactions (Material RPTs);
- b) Provide a clear framework for identification, review, approval, disclosure and monitoring of RPTs;
- c) Ensure that RPTs are conducted in a manner that is transparent, accountable and in the best interest of the Company;
- d) Comply with all legal and regulatory requirements related to RPTs.

3. DEFINITIONS

- i. “**Act**” means the Companies Act, 2013 as amended from time to time;
- ii. “**Audit Committee**” shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.



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- iii. **“Board of Directors”** or **“Board”** means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.
- iv. **“SEBI Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- v. **“Regulation 23”** means the Regulation 23 of the SEBI Listing Regulations.
- vi. **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated parties, so that there is no conflict of interest;
- vii. **“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association.
- viii. **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder;
- ix. **“Related Party”** shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations.
- x. **“Related Party Transaction”** have the meaning as defined under Section 188 of the Act read with Regulation 2(1) (zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:
 - a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
 - b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023



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regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. appointment to any office or place of profit in the Company, its subsidiary or associate company
- g. underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (b) corporate actions which are uniformly applicable/offered to shareholders in proportion of their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.
- (c) retail purchases from by company or by its directors or employees, without establishing any business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

Further, remuneration and sitting fees paid by company to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

- xi. **“Material Related Party Transaction”** means a transaction with a Related Party if the transaction / transactions to be entered into individually



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or taken together with previous transactions during a financial year, exceeds Rs. 50 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company

4. MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions with its related party. In any event, if a Related Party Transaction (“RPT”) exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions.

None of the related parties (“RPs”) of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RPs can cast only negative vote to reject the resolution seeking approval of material RPT(s)).

Company has fixed the following materiality thresholds for the purpose of Regulation 23 of the SEBI Listing Regulations:

- Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per its last audited financial statements.
- Other transactions with a Related Party – lower of Rs. 50 crore or 10% of the consolidated annual turnover of the Company as per its last audited consolidated financial statements.

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Audit Committee and the Board, once in every three years and updated accordingly.



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5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

Identification of RPTs:

- The Company Secretary, in consultation with the Chief Financial Officer and based on declarations received from Directors and KMPs, shall maintain an updated list of Related Parties.
- All business units must report proposed transactions with related parties to the Company Secretary for review.

Approval Matrix:

Audit Committee: All RPTs require prior approval from the Audit Committee. Omnibus approval may be granted for recurring transactions subject to limits and review.

-Board of Directors: Transactions not in the ordinary course of business or not at arm's length require Board approval.

-Shareholders: All Material RPTs must be approved by shareholders through an Ordinary Resolution, with all Related Parties abstaining from voting.

Ordinary Course of Business & Arm's Length Pricing:

To assess whether a transaction is in the ordinary course of business or at arm's length, the Company shall apply relevant principles of commercial prudence, industry practice and third-party comparisons.

6. DISCLOSURES:

- All RPTs shall be disclosed in the Board's Report and Financial Statements as per the Companies Act, 2013.
- Material RPTs shall be disclosed to the stock exchange and published on the Company's website.
- Half-yearly RPT disclosures shall be filed with the stock exchange as per SEBI requirements.
- The Company shall maintain records of RPTs as required under applicable law.



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7. MONITORING AND REVIEW

The Audit Committee shall review RPTs on a quarterly basis to ensure compliance and to assess any significant developments.

The Board may review this Policy at least once every three years or as and when required by regulatory changes or business exigencies.

8. EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board of Directors of the Company.

❖ Reviewed and revised by the Audit Committee at their meeting held on 27-05-2025 and Approved by the Board of Directors at board meeting duly held on 30.05.2025.

Place: Agra