



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

*[Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
and applicable provisions of the Companies Act, 2013]*

**Approved by the Board of Directors of Elitecon International Limited at its meeting held on
September 21, 2026.**

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1. Background and Legal Framework

Elitecon International Limited (the "**Company**") is a listed entity and is required to formulate a policy on materiality of related party transactions and on dealing with related party transactions. This Policy has been framed in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013, rules made thereunder, applicable accounting standards and other applicable laws.

This Policy sets out the framework for identification, approval, materiality, material modification, disclosure and monitoring of related party transactions of the Company and, where applicable, its subsidiaries.

2. Objective

The objective of this Policy is to ensure that related party transactions are identified, reviewed, approved, disclosed and monitored in a transparent manner and in compliance with applicable law.

The Policy seeks to protect the interests of the Company and its shareholders by requiring prior review of related party transactions, appropriate justification of commercial terms, disclosure of material facts and approvals from the Audit Committee, Board and shareholders wherever required.

3. Scope and Applicability

This Policy applies to the Company and to related party transactions of the Company. It shall also apply to transactions of subsidiaries to the extent approval, review or disclosure is required under Regulation 23 of the SEBI Listing Regulations or any other applicable law.

This Policy shall be read with the Companies Act, 2013, applicable accounting standards, SEBI Listing Regulations, the Articles of Association of the Company and any circulars, notifications, industry standards or stock exchange requirements applicable from time to time.

4. Definitions

Term	Meaning
Act	The Companies Act, 2013 and the rules made thereunder, as amended from time to time.
Audit Committee	The Audit Committee of the Board of Directors of the Company constituted under the Act and the SEBI Listing Regulations.
Board	The Board of Directors of Elitecon International Limited.
Company	Elitecon International Limited.
Material Related Party Transaction	An RPT that meets the materiality threshold prescribed under Regulation 23(1) read with Schedule XII to the SEBI Listing Regulations, or, in the case of brand usage or royalty, the threshold prescribed under Regulation 23(1A), as amended from time to time.
Material Modification	A change to an approved related party transaction which is treated as material in accordance with Clause 8 of this Policy.
Related Party	A person or entity that is a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, Section 2(76) of the Act and applicable accounting standards, as relevant and as amended from time to time.
Related Party Transaction / RPT	A transaction involving a transfer of resources, services or obligations between the persons specified in Regulation 2(1)(zc) of the SEBI Listing Regulations, regardless of whether a price is charged, and includes a single transaction or a group of transactions in a contract, together with transactions covered under Section 188 of the Act, where applicable.
SEBI Listing Regulations	The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
Subsidiary	A subsidiary as defined under the Act and the SEBI Listing Regulations.

5. Identification of Related Parties and RPTs

The Company Secretary / Compliance Officer, in consultation with the finance team and other relevant functions, shall maintain a list of related parties based on declarations received from directors, key managerial personnel, promoters, subsidiaries and other sources considered relevant.

The list of related parties shall be updated periodically and whenever there is any change in the Board, key managerial personnel, promoter / promoter group, subsidiary structure or other relevant facts.

Each proposed transaction shall be reviewed to determine whether it is an RPT under applicable law. The review shall consider the identity of the counterparty, nature of transaction, ultimate beneficiary, commercial terms, transaction value, relationship with the Company or its subsidiary, and whether the transaction is directly or indirectly for the benefit of a related party.

6. Materiality Thresholds

A Related Party Transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions with such Related Party during a financial year exceed the applicable threshold specified in Schedule XII to the SEBI Listing Regulations, as amended from time to time.

As on the date of adoption of this Policy, Schedule XII prescribes scale-based materiality thresholds linked to the annual consolidated turnover of the listed entity as per its last audited financial statements. The Company shall apply the threshold applicable to it under Schedule XII, as amended from time to time.

Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed five per cent (5%) of the annual consolidated turnover of the Company as per its last audited financial statements, or such other threshold as may be prescribed under Regulation 23(1A) from time to time.

7. Prior Approval of Audit Committee

All RPTs and subsequent material modifications shall require prior approval of the Audit Committee, unless exempted under applicable law. Only those members of the Audit Committee who are Independent Directors shall approve RPTs, to the extent required under Regulation 23.

Management shall place before the Audit Committee the minimum information and supporting particulars required under Regulation 23, the applicable SEBI circulars/master circular and the prevailing Industry Standards on minimum information for approval of Related Party Transactions, including the nature of relationship, type and material terms of the transaction, tenure, value, business rationale, pricing/arm's length basis and such other information as may be prescribed from time to time.

Where an RPT is proposed by a subsidiary and the Company is not a party, prior approval of the Audit Committee of the Company shall be obtained wherever required under Regulation 23(2), applying the thresholds and conditions prescribed thereunder, as amended from time to time.

8. Material Modification

For the purpose of this Policy, a modification to an approved RPT shall be treated as a Material Modification if it results in any of the following:

- a) increase in the approved transaction value by more than 10% of the approved value or INR 10 crore, whichever is lower, whether in a single instance or on an aggregate basis during the financial year;
- b) change in pricing formula, rate, margin, discount, commission, credit period or payment terms which materially affects the economic terms of the transaction;
- c) extension or change in tenure, repayment terms, security, guarantee, indemnity or other risk-allocation terms in a manner which is not merely administrative;
- d) change in the nature, scope or purpose of the transaction or the goods, services, assets, liabilities or obligations covered by it;

- e) change in counterparty, ultimate beneficiary, settlement mechanism or arrangement which may alter the substance of the approved transaction;
- f) change which causes a transaction to cross the materiality threshold under Regulation 23 or require shareholder approval; or
- g) any other change which, in the opinion of the Audit Committee, materially alters the commercial substance, risk, value or regulatory treatment of the approved RPT.

A purely administrative, clerical or statutory change, or a change arising only due to taxes, duties or levies without change in commercial substance, shall not ordinarily be treated as a Material Modification unless the Audit Committee determines otherwise.

9. Omnibus Approval

The Audit Committee may grant omnibus approval for RPTs which are repetitive in nature, subject to the conditions prescribed under Regulation 23 and such additional conditions as the Audit Committee may consider appropriate.

Where the need for an RPT cannot be foreseen and the prescribed details are not available, the Audit Committee may grant omnibus approval subject to the monetary limit and other conditions prescribed under Regulation 23(3), as amended from time to time.

Omnibus approvals shall be valid for a period not exceeding one year and fresh approval shall be required after expiry. Details of transactions entered pursuant to omnibus approval shall be reviewed by the Audit Committee at least on a quarterly basis.

10. Board and Shareholder Approval

RPTs shall be placed before the Board where required under the Act, the SEBI Listing Regulations, this Policy or were considered appropriate by the Audit Committee.

All Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders by resolution, unless exempted under applicable law. No Related Party of the Company shall vote to approve such resolution, whether or not such Related Party is a party to the particular transaction, to the extent required under Regulation 23(4). The notice to shareholders shall contain the information prescribed under the Companies Act, 2013, Regulation 23, applicable SEBI circulars/master circular and the prevailing Industry Standards.

Where approval is required under Section 188 of the Act, the Company shall comply with the requirements relating to Board approval, shareholder approval, explanatory statement, register of contracts and disclosures, as applicable.

11. Arm's Length, Ordinary Course and Pricing

The management shall provide appropriate justification to the Audit Committee regarding the business rationale, pricing basis and arm's length nature of the proposed RPT, wherever applicable.

The Audit Committee may consider quotations, comparable market prices, valuation reports, cost-plus workings, transfer pricing reports, independent expert inputs, historical pricing, regulatory pricing or such other information as may be relevant for evaluating the transaction.

The mere fact that an RPT is in the ordinary course of business or at arm's length shall not dispense with approval or disclosure requirements under Regulation 23, unless expressly permitted under applicable law.

12. Ratification and Inadvertent Transactions

Prior approval shall be the normal requirement for RPTs. Where an RPT has been entered into without prior approval, the Independent Directors who are members of the Audit Committee may ratify the transaction within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, only if the conditions prescribed under Regulation 23(2), as amended from time to time, are satisfied, including that the value of the transaction(s) with the Related Party during the financial year does not exceed the prescribed monetary limit and the transaction is not material.

Ratification shall not be available for a Material Related Party Transaction or Material Modification requiring prior shareholder approval. The rationale for not obtaining prior approval shall be placed before the Audit Committee and the ratification shall be disclosed in the manner prescribed under Regulation 23. If ratification is not obtained, the consequences prescribed under Regulation 23 and other applicable law, including voidability and indemnification where applicable, shall follow.

13. Disclosure and Monitoring

The Company shall make disclosures of RPTs to the stock exchange(s), on its website, in its financial statements, Annual Report and other filings in the manner, format and timelines prescribed under the Act, the SEBI Listing Regulations, applicable accounting standards, the SEBI Master Circular/other circulars and other applicable law, as amended from time to time.

The Company Secretary / Compliance Officer, in consultation with the finance team, shall coordinate maintenance of records, disclosure of RPTs, Audit Committee notes, approval documents, arm's length evaluation, stock exchange filings and website disclosure.

14. Exemptions

This Policy shall not apply to any transaction or category of transactions to the extent expressly exempted under Regulation 23, the Act or any other applicable law. Any exemption shall be interpreted strictly and shall not affect disclosure requirements, if any, under accounting standards or other applicable law.

15. Review and Amendment

This Policy shall be reviewed by the Board at least once every three years and updated accordingly. The Board may amend, modify or replace this Policy at any time based on recommendation of the Audit Committee, changes in law, business requirements or governance considerations.

In case of any conflict between this Policy and applicable law, the provisions of applicable law shall prevail. Any statutory amendment shall apply to this Policy to the extent applicable, whether or not formally incorporated herein.