

Creative Graphics Group

Related Party Transaction Policy

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1. Preamble

The Board of Directors (the “Board”) of **Creative Graphics Solutions Limited** (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Objective

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. Definitions

“Audit Committee or Committee” means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

“Board” means the Board of Directors as defined under the Companies Act, 2013.

“Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013.

“Related Party” means related party as defined under the Companies Act, 2013 read with Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

"Industry Standards" means the Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" notified by SEBI vide Circular dated June 26, 2025, as amended from time to time.

“Related Party Transaction” means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes, but is not limited to, -

- 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 the purchase or sale of goods, materials, services or property;
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
- h. Financing (including loans and equity contributions in cash or kind);
- i. Providing or obtaining guarantees and collaterals; and
- j. Deputation of employees.

“Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds the thresholds prescribed under Schedule XII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

As per the scale-based thresholds:

Consolidated Turnover of Listed Entity	Threshold
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
(III) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or Rs. 5,000 Crores, whichever is lower

In case of payment to a Related Party for brand usage or royalty, it shall be considered Material if the value exceeds 5% of the annual consolidated turnover. The above thresholds shall be reckoned on the basis of the last audited annual consolidated financial statements of the Company.

“Relative” means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner -

- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son’s wife;
- g. Daughter;
- h. Daughter’s husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

The terms Director, Chief Financial Officer, Company Secretary, shall have the same meaning as assigned under the Companies Act, 2013.

4. Policy and Procedure

The Audit Committee shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

4.1. Review and Approval of Related Party Transaction

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode. A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

Only members of the Audit Committee who are Independent Directors shall approve Related Party Transactions as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee, who are not Independent Directors, shall not participate in, or vote on, the approval of any Related Party Transaction.

The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis to confirm that they remain within approved limits and continue to be in the interest of the Company.

All proposals for approval of Related Party Transactions shall be accompanied by the minimum information specified in the Industry Standards.

4.1.1. Consideration by the Committee in Approving the Proposed Transactions

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

Prior to the approval, the Committee shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
- d. Whether the Related Party Transaction would affect the independence of, or present a conflict of interest for, any Director or Key Managerial Personnel of the Company. In making this assessment, the Committee shall consider the size of the transaction, the overall financial position of the concerned Director, Key Managerial Personnel or Related Party, whether the interest is direct or indirect in nature, and the ongoing nature of any proposed relationship. The Committee may also take into account any other factors it deems relevant.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

4.1.2. Approval by Circular Resolution of the Committee

In the event the Company's Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

4.1.3. Approval by the Board

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

4.1.4. Standing Pre-Approval / Omnibus Approval by the Committee

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification.

Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

The Audit Committee shall review, on at least a half yearly basis, the details of all Related Party Transactions entered into pursuant to omnibus approvals granted by it, and confirm that each such transaction has been carried out on an arm's length basis and in the ordinary course of business.

Omnibus approval shall not be granted for transactions that are not repetitive in nature, transactions involving the disposal of an undertaking, or transactions involving inter- corporate loans, investments, guarantees or securities in excess of limits permitted under Section 186 of the Companies Act, 2013. Any "Material Modification" to a previously approved Related Party Transaction - meaning any variance of 20% (twenty per cent) or more in the value, price, or any other material term of such transaction - shall require fresh approval of the Audit Committee and shall not be covered under an existing omnibus approval.

4.1.5. Approval of material Related Party Transactions

All Material Related Party Transactions shall require prior approval of the shareholders through an Ordinary Resolution. All Related Parties shall abstain from voting on such resolution, irrespective of whether they are a party to the transaction or not.

4.1.6. Transactions not in ordinary course of business or not at arm's length

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require prior approval of the shareholders through an Ordinary Resolution. All Related Parties shall abstain from voting on such resolution, irrespective of whether they are a party to the transaction or not.

4.1.7. Related party transactions not previously approved

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.

Failure to seek ratification of the Audit Committee within three months from the date of the transaction shall render such Related Party Transaction voidable at the option of the Audit Committee. Where such transaction was entered into by, or was authorized by, any Director or Key Managerial Personnel of the Company without the required approval, the concerned Director or Key Managerial Personnel shall indemnify the Company against any loss incurred by it as a result of such transaction.

4.1.8. Disclosure and reporting of related party transactions

Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

In addition to the above, the Company shall submit disclosures of all Related Party Transactions to the stock exchanges where the securities of the Company are listed, every six months within the timelines prescribed under Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, simultaneously with publication of its half-yearly financial results. Such disclosures shall be in the format as specified by SEBI or the stock exchanges from time to time. A summary of Related Party Transactions shall also be published on the Company's website.

4.1.9. Transactions Exempt from Approval Requirements

The following transactions are exempt from the requirement of prior Audit Committee or shareholder approval under this Policy, in terms of Regulation 23(5) of the SEBI LODR:

- a) Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting;
- b) Issue of specified securities on a preferential basis, subject to applicable regulatory

conditions;

- c) Corporate actions uniformly applicable to all shareholders - including payment of dividend, sub-division or consolidation of securities, issuance of securities by rights issue or bonus issue, and buy-back of securities;
- d) Retail purchases from the Company or its subsidiaries by Directors, Key Managerial Personnel or their Relatives in the ordinary course of business at prices available to all customers;
- e) Remuneration and sitting fees paid by the Company or its subsidiaries to Directors, Key Managerial Personnel and their Relatives, provided such persons are not part of the promoter or promoter group, and such remuneration is disclosed in the annual report; and
- f) Transactions undertaken pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016, subject to applicable conditions.

4.1.10. Related Party Transactions Involving Subsidiaries

Where a Related Party Transaction involves a subsidiary of the Company, but the Company itself is not a direct party to the transaction, prior approval of the Audit Committee of the Company shall be required if the value of such transaction exceeds ₹1,00,00,000 (Rupees One Crore) and also exceeds the lower of:

- a) 10% of the annual standalone turnover of the relevant subsidiary as per its last audited financial statements; or
- b) the threshold applicable to Material Related Party Transactions of the Company as defined in this Policy. In cases where the subsidiary does not have audited financial statements for at least one financial year, the threshold shall be 10% of the aggregate paid-up share capital and securities premium of the subsidiary as per its latest balance sheet (which shall not be more than three months old at the time of seeking approval). This requirement shall not apply where a listed subsidiary is itself a party to the transaction and the requirements of Regulation 23 read with Regulation 15(2) of the SEBI LODR apply directly to that listed subsidiary.

5. Scope Limitation

In the event of any conflict between the provisions of this Policy and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

6. Dissemination of Policy

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

7. Limitation and Amendment

Any subsequent amendment / modification in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act 2013 and/or applicable laws in this regard shall automatically apply to this Policy.
