CHAITANYA PROJECTS CONSULTANCY LIMITED

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

Date of Approval by The Board of Directors: July 31 2026.

Version: I

1. Background and Objective

Chaitanya Projects Consultancy 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.

Related party transactions can present a commercial situation which need to be examined and approved with greater prudence, keeping in mind good governance standards and to cater to the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the rules therein and subsequent amendments and modifications, along with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st December, 2015 (hereinafter referred to as SEBI Regulations), the Company has formulated appropriate guidelines for identification of related parties and for proper conduct and documentation of all related party transactions.

Moreover, Regulation 23(1) of SEBI Regulations requires a listed company to formulate a Policy on materiality of related party transactions and on dealing with related party transactions. In the light of the above, the Company has updated its Policy on Related Party Transactions ("Policy"). The Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

This Policy has been designed with the intention to establish procedures for timely reporting, appropriate review, disclosure and approval of all such Related Party Transactions.

2. Definitions

"Related Party" shall have the meaning given to it under Section 2(76) of the Act and Regulation 2 (zb) of SEBI regulation.

"Related Party Transaction" shall have the meaning given to it under Regulation 2 (zc) of SEBI regulation. It means a transaction involving a transfer of resources, services or obligations between.

i. The Company or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or

ii. 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 listed entity or any of its subsidiaries.

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 and includes the categories of contracts and arrangements specified under Section 188(1) of the Act.

"Arm's Length Transaction" means a transaction between two Related Parties conducted as if they were unrelated, so that there is no conflict of interest.

"Material Modification" means any subsequent change to an existing Related Party Transaction, involving a variance of 20% of the existing approved limit, or such other threshold as may be prescribed under the Listing Regulations from time to time.

"Ordinary Course of Business" means the usual transactions, customs and practices undertaken by the Company to conduct its business, consistent with its Memorandum and Articles of Association.

Terms used but not defined in this Policy shall carry the meaning assigned to them under the Act and the Listing Regulations, as amended from time to time.

3. Identification of Related Parties and Transactions

Every promoter, Director and Key Managerial Personnel ("KMP") of the Company and its subsidiaries or joint ventures, if any, shall, (a) at the time of appointment, (b) periodically as required by the Company or applicable law, and (c) whenever there is a change in information already submitted, provide to the Company particulars of their relatives and of all firms, companies, bodies corporate or other associations of individuals in which they are interested, directly or indirectly.

The Company Secretary shall maintain and periodically update a register of Related Parties on the basis of such disclosures, and shall place a summary before the Audit Committee at reasonable intervals.

4. Review and Approval of Related Party Transactions

4.1 Audit Committee

All Related Party Transactions, and any Material Modification thereto, shall require the prior approval of the Audit Committee. In considering a transaction for approval, the Audit Committee shall have regard to, among other things, the nature of the relationship, the material terms, the manner of determining the pricing, and whether the transaction is in the Ordinary Course of Business and at Arm's Length.

A member of the Audit Committee who has a potential interest in a Related Party Transaction shall recuse himself/herself and abstain from discussion and voting on its approval.

The Audit Committee may grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the criteria prescribed under the Act and the Listing Regulations, including specification of the maximum value of transactions, indicative pricing basis, and such other conditions as the Committee considers appropriate. Any such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval thereafter.

The Audit Committee shall review, *at least on a quarterly basis,* the details of Related Party Transactions entered into pursuant to omnibus approval.

A Related Party Transaction that is not covered by an omnibus approval shall be placed before the Audit Committee for consideration, and ratification where appropriate, at the earliest opportunity.

Where the Company is not a party to a transaction but its subsidiary is, the Audit Committee shall also approve such transaction if its value exceeds the thresholds prescribed under the Listing Regulations.

4.2 Board of Directors

A Related Party Transaction that is (i) not in the Ordinary Course of Business, or (ii) not on an Arm's Length basis, and is referred to the Board following Audit Committee review, shall additionally require Board approval. The Board shall consider the nature of the transaction, its material terms, the pricing methodology, and the business rationale before approving, modifying, or declining the transaction. A Director with an interest in the transaction shall recuse himself/herself from discussion and voting thereon, in accordance with Section 184 of the Act.

4.3 Shareholders

A Related Party Transaction that is a material transaction as per Regulation 23 of the Listing Regulations, or is not in

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the Ordinary Course of Business, or is not at Arm's Length, and exceeds the thresholds prescribed under the Act or the Listing Regulations, shall, together with any subsequent Material Modification, require prior approval of the members by resolution. No member who is a Related Party to the transaction shall vote on such resolution, irrespective of whether such member is a party to that specific transaction.

The above requirement shall not apply to transactions between the Company and a wholly owned subsidiary, or between two wholly owned subsidiaries, whose accounts are consolidated with the Company and placed before members at the general meeting, to the extent such exemption is available under the Listing Regulations.

Pursuant to Section 188 of the Companies Act, 2013, read with Rule 15(3)(a) of the Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of the Members by way of an Ordinary Resolution is required where the value of the related party transaction equals or exceeds threshold limits prescribed under the said Rule.

4.4 Post-Facto Approval

Where the Company becomes aware of a Related Party Transaction that was not approved under this Policy prior to being entered into, the Company shall seek ratification or post-facto approval from the Audit Committee, the Board, and/or the members, as applicable, at the earliest opportunity, without prejudice to any other consequences under applicable law.

5. Reporting and Disclosure

Every contract or arrangement requiring Board or member approval under this Policy shall be referred to in the Board's Report, together with the justification for entering into it, as required under Section 188(2) of the Act.

Following listing, particulars of Related Party Transactions shall be disclosed to the stock exchange(s) in the format and within the timelines prescribed under the Listing Regulations, and shall also be published on the Company's website.

6. Limitation, Review and Amendment

In the event of any conflict between this Policy and the Act, the Listing Regulations, or any other applicable law, the provisions of such law shall prevail, and any subsequent statutory amendment shall automatically apply to this Policy without requiring a separate amendment hereto.

The Board shall review this Policy periodically, and in any event at least once every three years, and may amend it based on the recommendation of the Audit Committee or as otherwise considered necessary.

7. Disclosure of the Policy

This Policy shall be hosted on the Company's website, and a web-link thereto shall be provided in the Company's Annual Report, and, upon listing, in accordance with the disclosure requirements under Regulation 46 of the Listing Regulations.

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8. Effective Date

This Policy is effective from the date of its adoption by the Board of Directors and shall continue to apply until

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amended or superseded by a subsequent Board resolution.

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