

CENTENIAL SURGICAL SUTURE LTD.

Registered Office : F-29, MIDC, Murbad, Thane 421401. MAHARASHTRA.
CIN : L99999MH1995PLC089759
Telephone : 02524-222905 :: Fax : 022 -2416 1261
email : shareinvestor@centenialindia.com :: Website : www.centenialindia.com

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS (RPT) AND DEALING WITH RELATED PARTY TRANSACTIONS

1). PREAMBLE:

The Board of Directors (the “Board”) of Centenial Surgical Suture Limited (the “Company” or “CSSL”), has adopted the following policy and procedures with regard to Related Party Transactions (RPT) as defined below in compliance with the provisions of Section 177 and Section 188 of the Companies Act, 2013 and Rules made thereunder and any subsequent amendments thereto (the “Act”) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements [LODR]) Regulations, 2015, Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures, SEBI circulars and Industry Standards issued from time to time and Other applicable statutory provisions, as amended from time to time, in order to ensure the transparency, procedural fairness and protection of public shareholders’ interests in transactions between the Company and its Related Parties.

The Audit Committee will review and may amend this policy from time to time. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2). OBJECTIVE:

This Policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct of RPTs, in terms of the applicable laws. This Policy shall supplement the Company’s other policies in force that may be applicable to or involve transactions with related persons. Further, the Board of Directors may amend this policy from time to time as may be required.

The Audit Committee of Directors (“Audit Committee”), shall review, approve and ratify RPT based on this Policy in terms of the requirements under the above provisions.

Any exceptions to the Policy on RPT must be consistent with the Companies Act, 2013, including the Rules promulgated thereunder and Regulation 23 of SEBI (LODR) Regulations, 2015 and must be approved in the manner as may be decided by the Board of Directors.

3). DEFINITIONS:

- a). “Act” shall mean the Companies Act, 2013 and includes any amendment thereof.
- b). “Arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

- c). “Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.
- d). “Board” means Board of Directors of the Company.
- e). “Control” shall have the meaning as defined in SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
- f). “Key Managerial Personnel” means KMP as defined under Section 2(51) of the Act and includes-
- Managing Director, or Chief Executive Officer or manager and in their absence, a Whole time director
 - Company Secretary
 - Chief Financial Officer
- g). “Material RPT” shall include transactions entered into by the Company or with a Related Party which, individually or taken together with previous transactions during a financial year, exceeds:
- Rs.1,000 Crore; OR
 - 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

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 percent of the annual consolidated turnover of the Company as per the last audited financial statements.

- h). “Material modification” means any modification to an existing RPT approved by the Audit Committee / Board of Directors / Shareholders, as the case may be, which will result in a change of the transaction and in case of monetary thresholds resulting in:
- a variance of 20% or more of the approved transaction value; or
 - any material change in nature, tenure or pricing mechanism affecting the commercial substance of the transaction.

For the purpose of determining Material Modification, any change in contract / transaction value that has accrued solely on account of statutory levy, regulatory requirement or accounting reclassification shall not constitute a Material Modification.

- i). “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 Memorandum & Articles of Association.
- j). “Office or place of profit” shall have the meaning assigned to it under Section 188(1)(f) of the Companies Act, 2013 and shall mean: An office or place where—

- (i) such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private Company or other body corporate and if such individual, firm, private Company or body corporate receives from the Company any remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

For the purposes of this clause, “remuneration” shall include any monetary or non-monetary benefit.

- k). “Policy” means RPT Policy.
- l). “Ratification” means post facto approval of (i) a RPT or (ii) subsequent Material Modification in the terms of RPT already approved by the Audit Committee or the Board of Directors or any other authority of the Company, subject to the conditions prescribed under Regulation 23(2)(f) of the SEBI (LODR) Regulations, 2015.

Ratification shall be permitted only where:

- (i) the value of the transaction, individually or in aggregate during a financial year, does not exceed Rs.1 crore;
- (ii) the transaction is not a Material RPT;
- (iii) the ratification is done within three months from the date of the transaction or at the next meeting of the Audit Committee, whichever is earlier;
- (iv) the rationale for inability to seek prior approval is placed before the Audit Committee; and
- (v) the details of such ratified transaction are disclosed along with the half-yearly disclosures of RPT to the Stock Exchanges.

If the Audit Committee does not ratify the transaction, such transaction shall be voidable at the option of the Audit Committee and the concerned Director(s) shall indemnify the Company against any loss incurred.

- m). “Related Party” shall mean a related party as defined under Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015, which includes:
 - (a) a related party as defined under Section 2(76) of the Companies Act, 2013;
 - (b) a related party under the applicable accounting standards;
 - (c) any person or entity forming part of the promoter or promoter group of the Company; and
 - (d) any person or entity holding equity shares:
 - i) of twenty percent (20%) or more; or
 - ii) of ten percent (10%) or more with effect from April 1, 2023, in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time during the immediately preceding financial year.
 - (e) such other person or entity as may be included from time to time under the applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the applicable

accounting standards, and shall be subject to any amendments made under the Listing Regulations from time to time.

- n). “RPT” shall have the meaning assigned to it under Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015, and shall mean a transaction involving a transfer of resources, services or obligations between:
- (i) the Company on one hand; and a related party of the Company
 - (ii) the Company 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, with effect from April 1, 2023, regardless of whether a price is charged.

A “transaction” with a related party shall be construed to include:

- a single transaction; or
- a group of transactions in a contract;

and shall include any contract, arrangement or transaction between related parties.

All capitalised terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (LODR) Regulations, 2015, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

4). POLICY

All RPT must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy unless exempt under SEBI (LODR) Regulations, 2015.

5). IDENTIFICATION OF POTENTIAL RPT

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request. Board of Directors / Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential RPT well in advance so that the Audit Committee / Board of Directors has adequate time to obtain and review information about the proposed transaction.

6). REVIEW AND APPROVAL OF RPT

A. PRIOR APPROVAL OF THE AUDIT COMMITTEE

Prior approval of the Audit Committee of the Company shall be required for all RPT, whether material or not, except those specifically exempted under Regulation 23(5) of the SEBI (LODR) Regulations, 2015.

Approval of the Audit Committee shall be by a majority of members present at the meeting. Any member of the Audit Committee who is a Related Party with respect to a particular transaction shall abstain from participation and voting on such transaction.

Prior approval of the Audit Committee shall be required for the following:

- a). All RPTs entered into by the Company.
- b). Any subsequent material modification in an RPT which has been earlier approved by the Audit Committee.
- c). Remuneration and sitting fees paid to any Director, Key Managerial Personnel or senior management personnel who qualifies as a Related Party under Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 shall require prior approval of the Audit Committee in accordance with Regulation 23, unless specifically exempt under applicable law.
- d). Any transaction, whether direct or indirect, the purpose and effect of which is to benefit a Related Party of the Company, in accordance with Regulation 2(1)(zc)(ii) of the SEBI (LODR) Regulations, 2015.

The approval of the Audit Committee may be granted by way of resolution by circulation in accordance with the provisions of the Companies Act, 2013 and applicable SEBI regulations. Every resolution passed by circulation shall be placed before the subsequent meeting of the Audit Committee for noting and recording in the minutes and shall be duly recorded in the minutes of the meeting.

B. PRIOR APPROVAL OF THE BOARD AND SHAREHOLDERS

In addition to Audit Committee approval, prior approval of the Board of Director and / or Shareholders shall be required in the following cases:

- a). RPTs entered into by the Company which are not in the ordinary course of business and / or are not at arm's length basis and which require approval under Section 188 of the Companies Act, 2013 and the Rules made thereunder.
- b). All Material RPTs, i.e., RPTs to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeding Rupees One Thousand Crore (₹1,000 crore) or ten per cent (10%) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.
- c). Any subsequent material modification to a Material RPT previously approved by the Shareholders.

The procedure as specified under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 shall be followed while obtaining approval of the Board of Director and / or Shareholders.

Any Director who is interested in a RPT shall disclose his / her interest in accordance with Section 184 of the Companies Act, 2013 and shall not be present during discussions on the relevant resolution except for providing information, and shall abstain from voting thereon.

All Related Parties shall abstain from voting on resolutions for approval of Material Related Party Transactions, whether or not such Related Party is a party to the particular transaction.

C. OMNIBUS APPROVAL BY THE AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company, subject to the following:

- a). The Audit Committee shall lay down the criteria for granting omnibus approval in line with this Policy and such approval shall apply only to transactions which are repetitive in nature.
- b). The Audit Committee shall satisfy itself that the need for omnibus approval is justified and that such approval is in the interest of the Company.
- c). Such omnibus approval shall, inter alia, specify the criteria, period, maximum amount, base price / variation formula, etc., as specified in the Industry Standards;
- d). Where the need for RPT 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;
- e). The Audit Committee shall review, at least on a quarterly basis, the details and aggregate value of transactions entered into pursuant to omnibus approvals.
- f). Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approval thereafter.
- g). Omnibus approval may be granted for RPTs of the Company, subject to compliance with applicable thresholds under Regulation 23.
- h). Omnibus approval shall not be granted for transactions which are not repetitive in nature or where the need for omnibus approval cannot be justified.

In addition, the Audit Committee may, at its discretion, decline to grant omnibus approval for material RPTs, transactions not at arm's length, disposal of undertakings or substantial assets, financial assistance arrangements, or any strategic transactions requiring specific evaluation.

D. RATIFICATION OF RPT :

The members of the Audit Committee who are Independent Directors may ratify RPTs within three months from the date of the transaction or at the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following:

- 1). 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 (₹1 crore).
- 2). The transaction is not Material under Regulation 23(1).
- 3). Rationale for inability to seek prior approval shall be placed before the Audit Committee.
- 4). Details of ratification shall be disclosed along with half-yearly disclosures under Regulation 23(9).
- 5). Any other conditions as specified by the Audit Committee.

A transaction once ratified shall be deemed approved from inception.

Any failure to seek ratification shall render the transaction voidable at the option of the Audit Committee.

If the transaction relates to any Director or is authorised by any Director without proper approval, the Director(s) concerned shall indemnify the Company against any loss incurred.

E. MINIMUM INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE

Effective from September 1, 2025, any fresh approval, omnibus approval or material modification shall comply with Industry Standards and the SEBI Master Circular dated November 11, 2024 (as amended from time to time).

For transactions:

- i). Exceeding ₹1 crore but not exceeding lower of 1% turnover or ₹10 crore:

Minimum information as specified in Annexure 13A of the Master Circular shall be provided.

- ii). Exceeding lower of 1% consolidated turnover or ₹10 crore:

The proposal shall include:

- Information specified under Part A, Part B and Part C of Industry Standards;
- Certificate from Managing Director and Chief Financial Officer confirming that the RPT is in the interest of the Company and not prejudicial to public shareholders;
- Copy / web link / QR code of valuation or external report, if any;
- Disclosure of any redactions, with certification by the Audit Committee that sufficient information is available for informed decision-making;
- Any additional information required by the Audit Committee.

F. MINIMUM INFORMATION TO SHAREHOLDERS FOR MATERIAL RPTs

The explanatory statement annexed to the notice seeking approval of shareholders for a Material RPT or material modification thereof shall contain disclosures as prescribed under Regulation 23(4) of the SEBI (LODR) Regulations, 2015 and the applicable Industry Standards, including but not limited to:

- Nature, duration and material terms of the transaction;
- Name of the related party and relationship;
- Justification as to why the proposed transaction is in the interest of the Company;
- Basis of determination of price and arm's length justification;
- Percentage of the Company's annual consolidated turnover represented by the transaction;
- Statement that the Audit Committee has reviewed the certificates of the Managing Director and Chief Financial Officer;
- Confirmation that the Audit Committee and the Board have approved the transaction and recommend it to shareholders;
- Copy / web link / QR code of valuation or external reports, if any;
- Any other information relevant for shareholders to take an informed decision.

The Company may place a redacted version of documents before shareholders, provided such redaction is approved by the Audit Committee and the Board of Directors, who shall confirm that the redacted disclosures continue to provide sufficient information for informed decision-making.

All Related Parties shall abstain from voting on resolutions for approval of Material RPTs, whether or not such Related Party is a party to the particular transaction.

6). DISCLOSURE OF RPT

The Company shall disclose RPTs to the Stock Exchanges on a half-yearly basis in the format prescribed under Regulation 23(9) of the SEBI (LODR) Regulations, 2015 and within the timelines specified therein.

Such disclosures shall be made in the manner and format prescribed under the applicable SEBI circulars, Industry Standards and the SEBI Master Circular, as amended from time to time.

The Company shall also host this Policy on its website and provide web link disclosure in the Annual Report in accordance with applicable provisions of the SEBI (LODR) Regulations, 2015.

7). GENERAL EXEMPTIONS

No approval under Regulation 23(2), 23(3) or 23(4) of the SEBI (LODR) Regulations, 2015 shall be required for:

- i). Transactions between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ii). Transactions between two wholly owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

These exemptions shall apply strictly in accordance with Regulation 23(5) of the SEBI (LODR) Regulations, 2015.

8). COMMENCEMENT

This amended Policy shall be effective from February 12, 2026.

9). AMENDMENTS

This Policy shall be governed by the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, applicable Accounting Standards and other applicable laws.

If due to subsequent changes in law any provision of this Policy becomes inconsistent, the provisions of the applicable law shall prevail and this Policy shall be deemed to have been amended accordingly.

The Board shall have the power to amend, substitute or replace this Policy in whole or in part.