

**RELATED PARTY TRANSACTION POLICY
FOR
Sahyadri Industries Limited.**

1. Preface:

1.1 Sahyadri Industries Limited recognizes that certain legal relationships exist and there may be occasions to deal with one or more of them in the day to day business of the Company. Such dealings may be termed as Related Party Transactions within the ambit of law and may have the potential to give rise to conflict of interest on account of existing relationships.

1.2 The Company has to ensure that the related party transactions are approved and disclosed in accordance with the prevailing applicable legal procedures and requirements governing affairs of the Company.

1.3 This Policy aims at laying down the procedures under which related party transactions must be reviewed, approved or ratified and would be disclosed according to the applicable rules.

2. Applicability:

2.1 This Policy shall be applicable to the Company for regulating the transactions with related parties as per applicable laws.

3. Definitions:

3.1 "Act" means the Companies Act, 2013 and the Rules framed there under as applicable from time to time.

3.2 "Arm's Length Basis" means a transaction between two related parties that is conducted as if they were unrelated.

3.3 "Associate Company" means a company in which the Company has a significant influence by means of control of at least twenty percent of total share capital or business decisions under an agreement of that other company but which is not a subsidiary of the Company and includes a joint venture company.

3.4 "Audit Committee" means audit committee of the Board of Directors of the Company.

3.5 "Board of Directors" means Board of Directors of the Company.

3.6 "Key Management Personnel" or "KMP" means Key Management Personnel of the Company as defined in the Act.

3.7 "Material Related Party transaction" means a transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company or its net worth (as the case may be) as per the last audited financial statements of the Company.

3.8 "Related Party" means a person or an entity which is a related party as defined in section 2(76) of the Act, Clause 49 of the Listing Agreement and related party as per Accounting Standard 18, considered together.

3.9 "Relative" means a relative as defined in section 2(77) of the Act.

4. Identification of Related Parties:

4.1 Every Director shall disclose to the Board of Directors his concern or interest in any

company, body corporate, firm, other association of individuals as per the provisions of section 184 of the Act.

4.2 Every Director shall also disclose the names of his relatives to the Company according to the relations as defined under section 2(77) of the Act.

4.3 On the basis of such disclosures the Company shall identify related parties.

4.4 Every Director shall disclose a change in relationships within 15 days of such change.

5. Identification of Potential Related Party Transactions:

5.1 Company Secretary (CS) shall at all times maintain record of Company's Related Parties containing the names of individuals and companies, along with their personal/company details including any revisions therein.

5.2 The list of Related Parties shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year.

5.3 CS shall collate the information, co-ordinate and send the list of Related Parties to the concerned employees which may include CMD, CEO, Departmental Heads, the Finance & Accounts Department and who he believes might be in the position to conduct or know the possible conduct of Related Party Transactions.

5.4 CS shall keep the statutory auditors informed by bringing in the aforesaid records to their attention about the related parties.

5.5 Functional departmental head ("**Requisitionist**") shall submit to the CFO as well as the Company Secretary the details of the proposed transaction with a related party along with details/draft contract/ draft agreement or other supporting documents justifying that the transaction is at an arms' length basis in the ordinary course of business and at prevailing market rate.

6. Approval of Related Party transactions:

6.1 Based on the note and supporting papers submitted by the Requisitionist, Company Secretary will take up the potential related party transaction for prior approval to the Audit Committee at its next meeting. The Audit Committee may ask for any further information as it may deem fit relating to the desired transaction which shall be provided by the Requisitionist. The CS or CFO shall convey the decision of the Audit Committee to the Requisitionist.

6.2 For the purpose of arriving at the decision, the Audit Committee must receive timely, full and sufficient information about the Related Party transaction.

6.3 The Audit Committee, if satisfied that the said transaction is in the interest of the Company and stakeholders, shall in-principle approve the related party transaction and recommend to the Board for final approval.

6.4 The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature. The Audit Committee shall grant omnibus approval for Related Party Transaction which cannot be foreseen and

aforesaid details are not available subject to their value not exceeding Rs.1 crore per transaction

6.5 All Material Related Party transactions shall require prior approval of the shareholders through special resolution.

6.6 All the other related party transactions which are not material in nature however which are not in the ordinary course of business or at arm's length basis shall also require approval of the shareholder in the manner mandated by the Act.

6.7 Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

6.7 The related party which is interested in a Related Party transaction shall abstain himself or herself from voting on relevant resolution at the Audit Committee meeting, Board Meeting and Shareholders Meeting