

SAHYADRI INDUSTRIES LIMITED

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the "Board") of Sahyadri Industries Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof ("SEBI LODR") and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

3. Definitions

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

"Policy" means Related Party Transaction Policy.

"Related Party" shall have the meaning assigned to it under the Listing Regulations.

"Relative" means, relative as defined under the Companies Act, 2013.

"Related Party Transaction" or "RPT" shall have the meaning assigned to it under the Listing Regulations.

"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. For determination of Arm's Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013 as amended from time to time.

"Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI vide its circular dated February 14, 2025, as amended from time to time.

“Material Related Party Transaction” A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

- **Turnover up to ₹20,000 Cr:** 10% of turnover.
- **Turnover ₹20,001 Cr - ₹40,000 Cr:** ₹2,000 Cr + 5% of turnover above ₹20,000 Cr.
- **Turnover above ₹40,000 Cr:** ₹3,000 Cr + 2.5% of turnover above ₹40,000 Cr, capped at ₹5,000 Cr.

“Material Modification” in terms of SEBI LODR Regulations means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.

Note: The terms which are not defined in this RPT policy shall be read as they are defined under Companies Act, 2013, as amended, SEBI (LODR) Regulations, 2015 as amended.

4. Policy and Procedure

- **Policy**

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

- **Procedures**

A. Identification of Related Party Transactions

The Company shall identify the Related Parties as follows:

- a. Every Director and Key Managerial Personnel shall be responsible for providing to the Board or the Audit Committee, a list of his/her related parties, at the time of his/her appointment, on an annual basis and whenever there is a change in the information already submitted.
- b. The list of Promoters and Promoter Group shall be as per disclosure/s under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
- c. The Company shall review and update the list of Related Parties on a regular basis and changes, if any, shall be considered as soon as possible.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as in the manner prescribed in the Companies Act, 2013 and the rules thereunder and SEBI LODR as amended from time to time. An appropriate monitoring mechanism shall be put in place to track all transactions with the Related Parties.

B. Review and approval of Related Party Transaction

» Audit Committee

- Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee. Members of the Audit Committee, who are independent directors, shall only approve related party transactions.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

The Company shall place following information / documents before the Committee for its consideration of request for omnibus approval of Related Party Transactions:

- (i) Details of transaction(s) requiring omnibus approval;
- (ii) Need for such omnibus approval;
- (iii) Explanation as to how the transaction(s) is in the interest of the Company

The omnibus approval shall be valid for a period of one year from the date of approval.

Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- Notwithstanding anything to the contrary in this Policy, the members of the Audit Committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:
 - i) 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;
 - ii) the transaction is not material in terms of the provisions of Regulation 23(1) of SEBI LODR;
 - iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
 - iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the Regulation 23(9) of SEBI LODR;
 - v) any other condition as specified by the Audit Committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a party related to any director, key managerial personnel and promoters, or is authorized by any other director, key managerial personnel and promoters, the concerned director, key managerial personnel and promoters shall indemnify the Company against any loss incurred by it.

- If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.
- The Audit Committee shall also review the statement of significant related party transactions submitted by management.
- Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.
- To review a Related Party Transaction, the Committee shall be provided with the necessary information (as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time), to the extent relevant, with respect to actual or potential Related Party Transactions.
- The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

» **Approval of the Board and the Shareholders**

- As per Section 188 of the Companies Act, 2013 the contract and arrangement with respect to specified transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price **and** are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

- All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

In case, the omnibus approval for material RPT is given by the shareholder, such approval of omnibus RPTs approved in an AGM shall be valid up to the date of the next AGM for a period not exceeding fifteen months. In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

5. Transactions which do not require approval

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i) payment of dividend;
 - ii) subdivision or consolidation of securities;
 - iii) issuance of securities by way of a rights issue or a bonus issue; and
 - iv) buy-back of securities.
- c) retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.
- d) The remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

6. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification (subject to terms of this Policy), revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

7. Disclosures

- The Company shall submit information related to RPTs to the stock exchanges every six months, in the format specified by the SEBI LODR, simultaneously with the publication of financials and also publish the same on its website.

Provided that the remuneration and sitting fees paid by the listed entity to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure provided that the same is not material in terms of the provisions of sub- regulation (1) of SEBI LODR.

- The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.
- RPTs shall be disclosed in Annual Report, as per applicable provisions of Act and SEBI LODR.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

8. Policy Review

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI (LODR) Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that this Policy shall be reviewed by the Board at least once every three years and updated accordingly.

In the event of regulatory changes which make any of the provisions in the Policy inconsistent, such amended regulatory changes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with applicable law(s)

This Policy is as per the recommendations of the Audit Committee meeting held on 11TH February 2026 and approved by the Board of Directors at its meeting held on 11th February 2026.