



INDIAN SUCROSE LIMITED

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INDIAN SUCROSE LIMITED

POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTIONS

1) INTRODUCTION:

It is Indian Sucrose Limited Policy that Related Party Transactions (RPT) are conducted at arm's length basis with any such transaction being on no less favorable than terms available to any unconnected third party under the same or similar circumstances.

2) APPLICABILITY OF THE POLICY:

This Policy is applicable to all the related party transactions of the Company. This Policy is not intended to conflict with any applicable laws or regulations and if any such conflict occurs the requirements of the law or regulation shall prevail.

3) OBJECTIVES OF THE POLICY:

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the applicable laws.

4) DEFINITIONS:

- a) "Act" means the Companies Act, 2013
- 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) "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.
- d) "Company" means Indian Sucrose Limited
- e) "Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- f) "Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
- g) "Related Party Transaction" have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as means transfer of resources, services or obligations between the Company and a related party, regardless of whether 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, including but not limited to the following:-

- i) sale, purchase or supply of any goods or materials;
- ii) selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;
- vi) appointment to any office or place of profit in the company
- vii) underwriting the subscription of any securities or derivatives thereof, of the company

h) "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 ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

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

- i) "Key Managerial Personnel" or "KMP" shall have the meaning as defined in the Companies Act, 2013
Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

5) INTIMATION BY THE RELATED PARTIES:

Directors shall disclose to the Board, details of all their relatives and the list of entities in which the Director is concerned or interested directly / indirectly, in Form MBP-1, as prescribed under Section 184 of the Act. The key managerial personnel should disclose their relatives. Any changes in the particulars must be informed promptly to the Board of Directors. The Directors and Key Managerial Personnel shall inform immediately the Board of any proposed related party transactions as soon as they become aware of it. It is the responsibility of the Director(s) or KMP who are interested in a proposed RPT to inform the Board, and obtain approval prior to entering into the transaction. Interested Director(s) I KMP shall not be present at the meeting during discussions on the subject matter of the resolution(s).

6) APPROVAL BY THE AUDIT COMMITTEE:

All related party transactions shall require prior approval of the audit committee.

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-

a) 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;

b) the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;

c) the omnibus approval shall specify:

i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

ii) the indicative base price / current contracted price and the formula for variation in the price if any; and

III) such other conditions as the Audit Committee may deem fit:

Provided that where the need for related party transaction 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.

d) The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:

7) APPROVAL BY THE BOARD OF DIRECTORS:

The approval of the Board is not required for any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis. The Company should obtain the approval of the Board for all the transactions which does satisfy any of the condition mentioned in the first paragraph, by following the procedure / provisions as per Section 188 of the Act.

8) APPROVAL BY THE SHAREHOLDERS:

All material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

9) VOIDABLE CONTRACTS / ARRANGEMENTS:

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting under sub-section (1) of Section 188 of the Act, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or 4 is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it. Without prejudice to anything stated above, it shall be open to the company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of that section for recovery of any loss sustained by it as a result of such contract or arrangement.

10) DISCLOSURES:

- a) The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
- b) The company shall disclose this policy under separate section in the website of the Company and a web link shall be disclosed in the Annual Reports.
- c) The Company shall disclose, in the Annual Report, the details of related party transactions as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. d) Such other disclosures as required under the law.

11) POLICY REVIEW:

- a) The Audit Committee shall review and assess the adequacy of this policy annually and recommend for approval by the Board any changes it considers necessary.
- b) The said policy should also be reviewed by the Board atleast once in every three years.