



SHREE RENUKA SUGARS LIMITED

Policy on Related Party Transactions

Related Party Transaction Policy

PREAMBLE

The Companies Act, 2013 (Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules) introduced specific provisions relating to Related Party Transactions and defined the term related parties, related party transactions, relatives and key management personnel. The Act and the Rules have also laid down the financial limits and the approval process for such transactions.

Securities and Exchange Board of India (SEBI), with the objectives to align with the provisions of the Companies Act, 2013, adopt best practices on corporate governance and to make the corporate governance framework more effective. Pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 (SEBI Listing Regulations), listed companies are required to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

The Board of Directors ("Board") of Shree Renuka Sugars Limited ("Company") based on the recommendation of the Audit Committee, had adopted this Policy, effective 1st October 2014 which was subsequently amended further on 1st April 2019. The said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015. The Board of Directors has also reviewed the requirements of Domestic Transfer Pricing Regulations and Accounting Standards 18 requirements of Related Party Transactions. In view of the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 effective from 1st April 2022, the policy had been amended by the Board of Directors on the recommendation of the Audit Committee effective from 1st April 2022 and further had been amended by the Board of Directors on the recommendation of the Audit Committee effective from 2nd August 2024. In view of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, this policy has been further amended by the Board of Directors on the recommendation of the Audit Committee w.e.f. 11th February 2025.

1. PURPOSE/OBJECTIVE

This policy is framed based on the requirements of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and also to comply with the applicable provisions of the Companies Act, 2013. It is primarily intended to ensure the governance and reporting of transactions between the Company and its Related Parties and to ensure transparency while dealing in Related Party Transactions.

This policy is created in assisting the Audit Committee, the Board and the Management in reviewing, approving and ratifying related party transactions and act as guidance to help recognize and deal with actual or apparent conflicts of interests that may raise questions whether such transactions are consistent in the best interests of the Company and its stakeholders.

2. DEFINITIONS AND EXPLANATIONS

“Act” shall mean the Companies Act 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars thereof.

"Associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: For the purpose of this clause,

- a) the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;
- b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

"Holding company" in relation to one or more other companies, means a company of which such companies are subsidiary companies.

Explanation: For the purposes of this clause, the expression "company" includes any Body Corporate.

"Key managerial personnel" in relation to a company, means:

- a) the Chief Executive Officer or the managing director or the manager;
- b) the company secretary;
- c) the whole-time director;
- d) the Chief Financial Officer;
- e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- f) such other officer as may be prescribed

“Material modification” will mean and include any modification to an existing related party transaction having variance of 10% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

“Material Related Party Transactions” in pursuance of SEBI Listing Regulations:

A Related Party Transaction shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, 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 listed entity as per the last audited financial

statements of the listed entity.

In pursuance of the Act the following transactions shall be considered as material related party transactions requiring approval of the shareholders in the manner prescribed under the Act -

Sr.	Transaction or contract or arrangements for	*Threshold Limits
1	Sale, purchase or supply of any goods or material, directly or through appointment of agent	(i) 10% or more of turnover of the company; or (ii) Rs.100 Crores; whichever is lower
2	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	(i) 10% or more of net worth of the company; or (ii) Rs.100 Crores; whichever is lower
3	Leasing of property of any kind	(i) 10% or more of turnover of the company; or (ii) Rs.100 Crores; whichever is lower
4	Availing or rendering of any services, directly or through appointment of agent	(i) 10% or more of turnover of the company; or (ii) Rs.50 Crores; whichever is lower
5	For appointment to any office or place of profit in the Company, its Subsidiary or Associate Company	Where monthly remuneration exceeds Rs.2,50,000
6	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company	For amount exceeding 1% of net worth of the Company

**The threshold limits shall be considered as amended from time to time in line with the amendment in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 by the Central Government.*

Turnover and net worth as per Audited Financial Statement of the preceding Financial Year.

Explanation: Limits specified in 1 to 4 above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

"Ordinary course of business" shall include the usual transactions, customs and practices of the company, or transactions permitted by the Object Clause in the Memorandum of Association of the Company, or transactions that are considered while computing the business income / revenue / turnover of the Company as opposed to "income from other sources".

"Policy" means this Related Party Transactions Policy.

"Related party" means a person or an entity as defined as a Related Party under the Act, the SEBI Listing Regulations and the Applicable Accounting Standards:

“Related party transaction” means such transactions with Related Parties as prescribed under the Act or the SEBI Listing Regulations, for the time being in force:

The following Transactions with related parties shall not be treated as Related Party Transactions:

- a) Any transaction that involves the providing of remuneration and sitting fee by the Company or its Subsidiary to its Director, Key Managerial Personnel or Senior Management except who is part of promoter or promoter group, in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b) The following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - payment of dividend;
 - subdivision or consolidation of securities;
 - issuance of securities by way of a preferential issue, rights issue or a bonus issue; and
 - buy-back of securities
- c) Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/ Companies Act, 2013.
- d) Reimbursement made of expenses incurred by a Related Party for business purpose of the Company, or Reimbursement received for expenses incurred by the Company on behalf of a Related Party.
- e) Reimbursement of pre-incorporation expenses incurred by or on behalf of a Related Party.
- f) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.
- g) Transactions entered into 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.
- h) Such other transactions as prescribed under the Act or the SEBI Listing Regulations from time to time.

"Relative" with reference to any person, means anyone who is related to another, if

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner

For the purpose of (iii) above, one person shall be deemed to be the relative of another, if he or she is related to another person in the following manner namely:

- Father (including step-father)

- Mother (including step-mother)
- Son (including step-son)
- Son's wife
- Daughter
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)

"Subsidiary company", "Subsidiary company" or "subsidiary, in relation to any other company (that is to say the holding company), means a company in which the holding company:

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation: For the purposes of this clause,

- a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company.
- b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors.
- c) the expression "company" includes any Body Corporate.
- d) "layer" in relation to a holding company means its subsidiary or subsidiaries.

"SEBI Listing Regulations" means Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including modifications, amendments, Circulars, clarifications thereto.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 and the rules and regulations made thereunder, Accounting Standards and applicable laws, to the extent relevant in connection with this Policy, as the case may be or in any amendment thereto.

3. POLICY

All proposed Related Party Transactions must be reported to the Audit Committee for its approval prior to the initiation of the actual transaction in accordance with this Policy. The Audit Committee shall periodically review this Policy and may recommend amendments to this Policy, from time to time, as it may deem fit/appropriate.

3.1. Identification of Potential Related Party and Transactions

Each Director and Key Managerial Personnel is responsible for providing Notice to the Audit Committee/Board of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company has to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

3.2. Review and Approval of Related Party Transactions

All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the Company and only those members of the audit committee, who are independent directors, shall approve related party transactions. Further,

- a) a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
- b) prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party, but the Company is not a party, if Regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (c) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

The Committee will be provided with all relevant material information of the Related Party Transaction while reviewing a Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters and such other disclosures as prescribed by SEBI from time to time.

3.3. Consideration by the Audit Committee while approving Related Party Transactions

While assessing a proposal placed before the Audit Committee/Board for approval, the Audit Committee/Board shall review/consider such documents/factors to determine whether the transaction is in the ordinary course of business and on arm's length basis and such material information about the transaction as specified by SEBI from time to time.

The audit committee shall also review the status of long-term (more than one year) or recurring

RPTs on an annual basis.

In case of ongoing Related Party Transactions, the Audit Committee may establish guidelines for the management to follow for such ongoing dealings with Related Parties. The Committee shall periodically review and assess such ongoing relationships with Related Parties. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this Policy shall also be subject to subsequent review under this Policy.

The Committee while considering the arm's length nature of any transaction, shall take into account the facts and circumstances as were applicable at the time of entering into such transactions with Related Party. The Committee shall take into consideration that subsequent events like evolving business strategies/short term commercial decisions to improve/sustain the Company's market share, changing market dynamics, local competitive scenario, economic/regulatory conditions affecting the global/domestic sugar industry impacting the Company's profitability but which may not have a bearing on the otherwise arm's length nature of the transaction.

3.4. Omnibus approval by Audit Committee

In case of any repetitive/frequent/regular transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval as per the threshold limit mentioned below for such proposed transactions to be entered into by the Company or its subsidiary. While granting the approval the Audit Committee shall satisfy itself of the need for such omnibus approval and that the same is in the interests of the Company. The omnibus approval shall specify the following:

- a) Name of the related party;
- b) Nature of the transaction;
- c) Period of the transaction;
- d) Maximum amount of the transactions that can be entered into;
- e) Indicative base price / current contracted price and formula for variation in price, if any; and
- f) Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or terms of the contractor arrangement have been varied or amended. Any proposed variations or amendments to these factors shall require prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs.1,00,00,000/- (Rupees One Crore only) per transaction, details of which shall be reported at the next meeting of the Audit Committee for ratification. The Audit Committee shall, on a quarterly basis review and assess such transactions, including the limits, to ensure that the same is in compliance with this Policy. The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.

Threshold limits

Pursuant to Regulation 23 of SEBI Listing Regulations, the threshold limits for RPTs for granting omnibus approval for each financial year, as per the criteria approved by the Board is as under:

Sr. No.	Criteria	Amount in Rs.
1	Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year <ul style="list-style-type: none"> - Purchase of Goods and Services - Sale of Goods and Services 	#Upto any limit provided the aggregate of Related Party transactions (including transactions already approved earlier in the year) is less than 10% of the annual consolidated turnover of the Company as per the last audited financial statements
2	Maximum value per transaction which can be allowed <ul style="list-style-type: none"> - Purchase of Goods and Services - Sales of Goods and Services 	

Any omnibus approval granted by the Audit Committee above the threshold limit, shall be subject to the approval of the shareholders as per the Act and SEBI Listing Regulations.

3.5. Approval of the Board

Transactions with related parties within the scope of Section 188 of the Act, which are not in the ordinary course of business nor at arm's length basis shall require Board's approval.

3.6. Approval of the Shareholders of the Company

All material related party transactions and subsequent material modifications as defined hereinabove shall require prior 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. Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of SEBI Listing Regulations are applicable to such listed subsidiary, i.e., for related party transactions of unlisted subsidiaries of a listed subsidiary, prior approval of the shareholders of the listed subsidiary shall suffice.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which -

- a) are not in the ordinary course of business and at arm's length basis; and
- b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014,

shall be placed before the shareholders for its approval.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Act, include such other information as a part of the explanatory statement as specified by SEBI from time to time.

3.7. Decision regarding transaction in ordinary course of business and on arm's length basis

The Audit Committee or the Board shall, in respect of the related party transactions referred to them for approval, shall after considering the materials placed before them, judge if the transaction is the ordinary course of business or at arm's length basis. The Company may seek the opinion/certification of any external professional or Statutory/Internal Auditor or Practising Chartered Accountant for determining whether any transaction is in the ordinary course of business and at arm's length basis, if necessary. In case the Audit Committee is not able to arrive at such a decision, the same shall be referred to the Board, which shall decide if the transaction is the ordinary course of business or at arm's length basis. In case the Board is not able to arrive at such a decision, the same shall be decided by the Independent Directors, whose decision shall be final.

4. EXCEPTIONS

Notwithstanding the foregoing, the following Related Party Transactions shall not require specific approval of the Audit Committee:

- a) Any transaction with Wholly owned subsidiaries in the ordinary course of business/operations.
- b) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- c) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, and in line with the terms of Appointment.
- d) 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.
- e) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand

5. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee.

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:

- a) 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;
- b) the transaction is not material in terms of the provisions of Regulation 23(1) of the SEBI Listing Regulations;
- c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- d) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- e) 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 related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

This Policy will be communicated to all operational employees and other concerned persons of the Company and shall be placed on the website of the Company at www.renukasugars.com.

6. DISCLOSURE

Every Related Party Transaction entered into by the Company shall be disclosed in the Directors' Report on an annual basis and also as part of the financial statements of the Company, along with justification for entering into such transactions. The Company Secretary and the Chief Financial Officer shall be responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Act.

The Company shall submit disclosure of RPTs on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the Stock exchanges, in the manner and within the timelines prescribed by the SEBI Listing Regulations and publish the same on its website.

7. AMENDMENTS AND UPDATES

The Audit Committee shall review this Policy once in 3 years and may recommend amendments to this Policy from time to time, as it deems appropriate. In addition to guidelines for ongoing Related Party Transactions, the Audit Committee may, as it deems appropriate and reasonable, establish from time-to-time guidelines regarding the review of other Related Party Transactions. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

8. LIMITATION/SCOPE

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules/Listing Regulations then the provisions of the Act or statutory

enactments, rules or the Listing Regulations shall prevail over this Policy.

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Act or rules made there under, SEBI Act or Rules and Regulations made there under, Listing Agreement, Accounting Standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee for its decision. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert, as it deems fit.

Amended and effective from 11th February 2025.