



BANNARI AMMAN SUGARS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

*(As reviewed, amended and approved by the Board of Directors on 7th February, 2022)
(Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015)*

1. PREFACE

BANNARI AMMAN SUGARS LIMITED (“the company”) has always been committed to good corporate governance practices. As a matter of practice, the company follows arm’s length basis in transacting with its related parties which are in the ordinary course of business.

The Board of Directors has amended this policy upon recommendation of the Audit committee and in line with the amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The revised policy shall come into effect from 1st April, 2022 and shall be in supersession of the earlier policy.

2. Objective

The objective of this policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the company in regard to and to ensure proper approval and reporting of transactions between the company and its related parties

3. Definitions

- a) “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.
- b) “Audit Committee or Committee” means the Audit Committee of Board of Directors of the Company.
- c) “Board” means the Board of Directors of the Company.
- d) “Key Managerial Personnel” means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013.
- e) “Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during the financial year exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.





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- f) "Material Modification" means any modification in the related party transactions approved by audit committee/Board/Shareholders as the case may be and having variance of 20% or more in the approved monetary limit during the relevant period or complete change in the nature of transaction.
- g) "Related Party" means (i) a related party as defined under Section 2(76) of the Companies Act, 2013 (ii) a related party under the applicable accounting standards & (iii) a related party under Regulation 2 (1)(zb) of SEBI (LODR) Regulations, 2015.
- h) "Related Party Transaction" means:
- (i) a transaction between the company and a related party which is of nature specified in sub-clause (a) to (g) of Section 188(1) of the Companies Act, 2013; and
 - (ii) a transactions which is of the nature specified under Regulation 2(1)(zc) of SEBI (LODR) Regulations, 2015.
- i) "Relative" means a relative as defined under section 2(77) of the Companies Act, 2013 and rules prescribed there under.

Words and expressions used in this Policy not specifically defined hereto will have the same meaning assigned to them in the Companies Act, 2013 or Rules framed there under or in the applicable regulations in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

4. Policy

All the Related Party Transactions and subsequent material modifications shall be referred to the Audit Committee for approval and/or to the Board or the Shareholders and reported to the Audit Committee in accordance with this policy.

4.1 Identification of Potential Related Party and Transactions

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





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

The Chief Financial Officer of the company shall be responsible for keeping a record of all related parties of the company and the transactions with all related party transactions at all times.

4.2 Review and Approval of Related Party Transactions

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee and only those members who are Independent Directors shall approve related party transactions. The Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's length basis subject to the Compliance of conditions specified under SEBI (LODR) Regulations, 2015. (including any statutory modification(s) or re-enactment thereof, for the time being in force). The Audit Committee shall also consider the criteria specified under Rule 6A of the Companies (Meetings of the Board and its Powers) Rules, 2014 while granting omnibus approval.

Any member of the Audit Committee who has potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review the Related Party Transactions the Audit Committee shall be provided with necessary information to the extent relevant with respect to actual or potential Related Party Transactions and/or prescribed under the Act and SEBI (LODR) Regulations, 2015

While considering any Related Party Transaction the Audit Committee shall take into account all relevant facts and circumstances including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.





5. Board of Directors

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law to approve the Related Party Transaction by the Board, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above under Paragraph 4.2 shall apply to the review and approval of the matter by the Board of Directors with such modifications as may be necessary or appropriate under the circumstances.

Any member of the Board who has potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

6. Shareholders

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

All the transactions other than the material Related Party Transactions with the Related Parties which are not in the ordinary course of business or not on arm's length basis shall also require the approval of the shareholders through resolution if so require under any laws and no related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

7. Related Party Transactions not previously approved

In the event the Company becomes aware of Related Party Transaction that has not been approved or ratified under this Policy the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.





8. Disclosures

Appropriate disclosures as required under the Act and/or Regulations shall be made in the company's Annual Return, Board's Report and such other places and to the Stock Exchanges.

The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report.

9. General

Any subsequent amendment/modification in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or applicable laws in this regard shall automatically apply to this Policy.

This policy shall be reviewed by the Board at least once in every three years.

The Board on its own and/or on the recommendations of the Audit Committee can amend this policy as and when it deems fit.

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