



POLICY ON RELATED PARTY TRANSACTIONS

*(As reviewed, amended and approved by the Board of Directors on 28TH May, 2025)
(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. The company as a matter of practice, follows arm’s length basis in transacting with its related parties which are in the ordinary course of business.

In this regard, the Company has reviewed and amended this Policy on Related Party Transactions (“the Policy”) as required under Regulation 23(1) of the SEBI Listing Regulations taking into consideration of SEBI circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14.02.2025. The Policy has been amended and adopted by the Board on 28.05.2025 on the recommendations of the Audit Committee. The Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

2. OBJECTIVE OF THE POLICY

The Objective of this policy is to:

- Identify the related parties and to regulate the transactions between the Company and the its Related Parties;
- Set the materiality thresholds for the related party transactions;
- Regulate the manner of entering into 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 constituted by the Board of Directors of the Company from time to time in accordance with the provisions of the Act and the SEBI Listing Regulations.
- c) “Board” means the Board of Directors of the Company, as constituted from time to time in line with the provisions of the Act and the SEBI Listing Regulations.





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- d) “Key Managerial Personnel” means a key managerial personnel as defined under Section 2(51) of the Companies Act, 2013, so authorised and designated by the Board of Directors as KMP.
- e) “Ordinary course of business” means the usual routine/repetitive 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 its Memorandum of Association.
- f) “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.
- g) “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.
- h) “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 (including statutory modification(s) or re-enactment(s) thereof for the time being in force)
- i) “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.
- j) “Relative” means a relative as defined under section 2(77) of the Companies Act, 2013 and rules prescribed there under.
- k) “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 No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025





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 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. Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a. Material Related Party Transactions
- b. Other Related Party Transactions, but with promoter or promoter group or person/entity in which promoter or promoter group has concern or interest.
- c. Residual Related Party Transactions

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





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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.

The omnibus approval shall provide details of (i) the name/s of the related party and its relationship with the Company or its subsidiary, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into during the year; (ii) basis of arriving at the indicative base price/current contracted price and the formula for variation in the price if any, (iii) minimum information about the Related Party Transactions as per the provisions of the Industry Standards and (iv) such other conditions as the Audit Committee may deem fit.

The 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

Any member of the Audit Committee who has potential conflict of interest in any Related Party Transaction shall abstain himself/herself from the discussion and voting on the approval of such Related Party Transaction and shall not be counted for determining the presence of quorum at the meeting where such transaction is placed for approval.

5. BOARD OF DIRECTORS

As per the provisions of Act, any kind of Related Party Transaction which are/are not in the ordinary course of business or at/not at arm's length basis, are to be placed before the Board for its approval, if determined by the Audit Committee, 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 shall abstain himself/herself from the discussion and voting on the approval of such Related Party Transaction and shall not be counted for determining the presence of quorum at the meeting where such transaction is placed for approval.

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 or exceeds the thresholds, 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 but not later than 3 months from the date of transaction or in the immediate next meeting of the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification, as specified in the Listing Regulations

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 place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations. Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the Related Party Transactions.





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- The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations. Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed Related Party Transactions, as applicable.
- The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report

9. GENERAL

The adequacy of this policy shall be reviewed and reassessed by the Committee periodically and at least once in every three years and appropriate recommendations shall be made to the Board to update the policy use to the regulatory amendments or otherwise, as when required.

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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