



## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

**Sampre Nutritions Limited**

### **1. Introduction**

This Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions (“**Policy**”) is framed in accordance with Section 188 of the Companies Act, 2013, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and other applicable laws and regulations. The Policy aims to regulate and manage Sampre Nutritions Limited (“**the Company**”) transactions with related parties to ensure transparency, fairness, and compliance with applicable statutory requirements.

### **2. Objective**

The objective of this Policy is to:

- 2.1 Define the materiality threshold for related party transactions.
- 2.2 Establish the procedure for approval, review, and disclosure of related party transactions (RPTs).
- 2.3 Ensure compliance with the relevant legal provisions and corporate governance standards.
- 2.4 Safeguard the interests of the shareholders and stakeholders by promoting fairness and transparency in dealing with related parties.

### **3. Applicability**

This Policy applies to all employees, directors, subsidiaries, and joint ventures of the Company and any related party transactions entered into with them.

### **4. Definitions**

For the purposes of this Policy, the following terms shall have the meanings assigned to them:

- 4.1 **Related Party:** As defined under Section 2(76) of the Companies Act, 2013 and Listing Regulations, a related party is a person or entity related to the Company in any manner.
- 4.2 **Related Party Transaction:** A transaction between the Company and a related party, involving the transfer of resources, services, or obligations that fall within the ambit of the definition of a related party transaction under Section 188 of the Companies Act, 2013, and Regulation 23 of the Listing Regulations.

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- 4.3 **Material Related Party Transaction:** A related party transaction that exceeds the materiality thresholds prescribed by the Board of Directors or statutory requirements, whichever is more stringent.
- 4.4 **Audit Committee:** A committee of the Board of Directors established to oversee financial reporting, internal controls, audit functions, and related party transactions as defined under Section 177 of the Companies Act, 2013.
- 4.5 **Board:** The Board of Directors of the Company as defined under Section 2(10) of the Companies Act, 2013.

## **5. Scope of the Policy**

This Policy applies to:

- 5.1 All transactions involving the Company and its related parties.
- 5.2 Any transaction that falls within the scope of a related party transaction, including but not limited to contracts, agreements, loans, investments, and other business dealings.
- 5.3 Transactions entered into by subsidiaries and joint ventures with related parties, as applicable.

## **6. Materiality Thresholds for Related Party Transactions**

### **6.1 Threshold for Materiality of Related Party Transactions:**

- 6.1.1 In accordance with Regulation 23 of Listing Regulations, a related party transaction will be considered material if it meets any of the following criteria:
  - 6.1.1.1 If the transaction(s) exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements.
  - 6.1.1.2 If the transaction(s) exceeds such other thresholds as may be prescribed by the Board of Directors from time to time.
- 6.1.2 For the purposes of this Policy, material related party transactions shall be subject to the approval of the Board and, where applicable, the shareholders, in accordance with the applicable laws and regulations.

### **6.2 Threshold for Approval:**

- 6.2.1 All material related party transactions shall require the prior approval of the Audit Committee and the Board of Directors.
- 6.2.2 In case of transactions that involve selling or disposing of assets of the Company, the threshold may be set by the Audit Committee at a lower percentage to ensure transparency and protect shareholder interests.

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## **7. Approval Process for Related Party Transactions**

The approval process for related party transactions is as follows:

### **7.1 Pre-Approval by the Audit Committee:**

- 7.1.1 All related party transactions, whether material or not, must be reviewed and approved by the Audit Committee before they are entered into.
- 7.1.2 The Audit Committee will approve or reject any related party transaction based on its fairness and in compliance with the statutory and regulatory requirements.
- 7.1.3 The Audit Committee shall review the terms and conditions of the proposed related party transaction to ensure that it is on an arm's length basis.

### **7.2 Approval by the Board of Directors:**

- 7.2.1 The Audit Committee shall place the related party transaction before the Board of Directors for approval, where required.
- 7.2.2 The Board of Directors shall ensure that any related party transaction is in the best interests of the Company and is in compliance with applicable laws.

### **7.3 Approval by Shareholders:**

- 7.3.1 If required, material related party transactions must be approved by the shareholders by way of a special resolution.
- 7.3.2 Related parties involved in the transaction shall abstain from voting on the resolution.

## **8. Procedure for Dealing with Related Party Transactions**

### **8.1 Identification of Related Party Transactions:**

- 8.1.1 The Company will maintain a register of related parties as per the definition under the Companies Act, 2013, and Listing Regulations.
- 8.1.2 All related party transactions must be identified at the outset, prior to entering into such transactions, to ensure compliance with the approval process outlined in this Policy.

### **8.2 Disclosure of Related Party Transactions:**

- 8.2.1 The Company will ensure that all related party transactions are disclosed in the financial statements as per the applicable accounting standards and legal requirements.

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8.2.2 Disclosures of related party transactions shall also be made in the Annual Report, as per the disclosure requirements under the Companies Act, 2013, and Listing Regulations.

8.2.3 The Audit Committee will review these disclosures periodically to ensure that they are accurate and in compliance with the regulatory framework.

#### **8.3 Arm's Length Principle:**

8.3.1 Related party transactions shall be entered into on an arm's length basis, meaning that the terms of such transactions must be comparable to those that would apply to transactions with non-related parties.

8.3.2 The Audit Committee will ensure that appropriate benchmarks and evidence are available to support the arm's length nature of the transactions.

## **9. Review and Monitoring**

#### **9.1 Regular Review of Related Party Transactions:**

9.1.1 The Audit Committee will review all related party transactions on a quarterly basis to assess their compliance with this Policy and applicable laws.

9.1.2 The Company Secretary shall be responsible for ensuring that all related party transactions are entered into the register and reviewed in the Audit Committee meetings.

#### **9.2 Compliance with Regulatory Requirements:**

9.2.1 The Company will ensure ongoing compliance with the applicable provisions of the Companies Act, 2013, Listing Regulations, and other applicable regulations governing related party transactions.

#### **9.3 Monitoring of Material Related Party Transactions:**

9.3.1 The Board shall monitor any material related party transactions to ensure they do not negatively impact the interests of the Company or its shareholders.

9.3.2 Any related party transaction that has been deemed material and has been entered into without proper approval or on unfair terms will be reviewed, and corrective actions will be initiated, if necessary.

## **10. Protection Against Conflict of Interest**

#### **10.1 Conflict of Interest:**

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- 10.1.1 Directors, Key Managerial Personnel (KMPs), and employees of the Company must disclose any potential or actual conflicts of interest regarding related party transactions.
- 10.1.2 If a director or KMP is involved in a related party transaction, they shall recuse themselves from the approval process, and the matter shall be considered by the independent members of the Audit Committee and the Board.

## **11. Enforcement and Compliance**

### **11.1 Compliance Officer:**

- 11.1.1 The Company Secretary or a designated Compliance Officer shall be responsible for ensuring the implementation and monitoring of this Policy.
- 11.1.2 The Compliance Officer will report any breaches of this Policy or related party transactions not complying with the approval process to the Audit Committee and Board of Directors for corrective action.

### **11.2 Consequences of Non-Compliance:**

- 11.2.1 Any violation of this Policy or failure to comply with the approval process will result in disciplinary action, which may include penalties, termination of employment, or legal proceedings, depending on the severity of the violation.

## **12. Review and Amendment of the Policy**

- 12.1 **Review:** The Audit Committee shall review this Policy annually or in response to changes in laws, regulations, or Company practices.
- 12.2 **Amendment:** Any amendment or modification to this Policy must be approved by the Board of Directors and be in compliance with applicable laws and regulations.

## **13. Conclusion**

The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is designed to ensure the transparency, fairness, and integrity of all transactions involving related parties. It upholds the principle of treating all related party transactions on an arm's length basis and ensures compliance with applicable statutory and regulatory requirements, thereby safeguarding the interests of all stakeholders.

## **14. Questions**

If you have any questions concerning this Policy, please contact the **Company Secretary** at Unit-1: Plot No. 133, Industrial Estate, Medchal - 501401, Telangana, or through email at **[gurbani@gurbanigroup.in](mailto:gurbani@gurbanigroup.in)**, or through phone at **(+91) 8418222428**.