SRIVARI SPICES AND FOODS LIMITED

RELATED PARTY TRANSACTION POLICY

1. **SCOPE, PURPOSE, AND REGULATORY FRAMEWORK OF THE POLICY**

Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 read with the Rules framed there under and Regulations 23 read with 2(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time, Srivari Spices and Foods Limited ("Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the Company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company ("Board") based on the recommendations of the Audit Committee. Going forward, 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 set out:

a) the basis of identifying related parties of the Company as well as related party transactions,
b) the materiality thresholds for related party transactions and
c) the manner of entering into transactions between the Company and its related parties based on the Act, read with the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. **DEFINITIONS**

3.1 **"Act"** means the Companies Act, 2013, as amended from time to time;

3.2 **"Audit Committee"** shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

3.3 **"Board of Directors" or "Board"** means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations (as applicable).

3.4 **"Company"** means Srivari Spices and Foods Limited.

3.5 **"Holding Company"** shall have the meaning as specified under section 2(46) of the Act.

3.6 **"SEBI Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

3.7 **"Regulation 23"** means Regulation 23 of the SEBI Listing Regulations.

3.8 **"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 its Memorandum & Articles of Association.

The following factors have been considered for the determination of whether the transactions are in the ordinary course of business:

a) Whether the activity is covered in the objects clause of the Memorandum of Association
b) Whether the activity is in furtherance of the business
c) Whether the activity is normal or otherwise routine for the particular business (i.e. activities like advertising, staff training, etc.)
d) Whether the activity is repetitive/frequent
e) Whether the income, if any, earned from such activity/transaction is treated as business income in the company's books of account
f) Whether the transactions are common in industry practice
g) Whether there is any historical practice to conduct such activities
h) The financial scale of the activity with regard to the operations of the business.

The Board and Audit Committee may lay down such other principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines;

3.9 **"Related Party"** in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Act, and Regulation 2(zb) of SEBI(LODR) Regulations, 2015, as amended from time to time.

Presently, includes the following:

1. a director or his relative;
2. a Key Managerial Personnel or his relative;
3. a firm, in which a director, manager or his relative is a partner;
4. a private company in which a director or manager or his relative is a member or director;
5. a public company in which a director or manager is a director and holds, along with his relatives, more than 2% of its paid-up share capital;
6. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except advice/directions/instructions given in a professional capacity;
7. any person on whose advice, directions, or instructions a director or manager is accustomed to act, except advice/directions/instructions given in professional capacity;
8. any body corporate which is:

a) holding, subsidiary or an associate company of such company; or
b) a subsidiary of a holding company to which it is also a subsidiary; or
c) an investing company or the venturer of the company (i.e. a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate);

9. a director other than an independent director or key managerial person of the holding company or his relative;
10. any person / entity forming part of the promoter or promoter group of the listed entity;
11. any person / entity, holding equity shares in the Company, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year:
    - to the extent of 10 % or more
12. an entity is a related party under the applicable accounting standards.

Here the term **"Relative"** means relative as defined under the Act and includes 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 another in the following manner, namely:
    i) Father (including step-father)
    ii) Mother (including step-mother)
    iii) Son (including step-son)
    iv) Son's wife
    v) Daughter
    vi) Daughter's husband
    vii) Brother (including step-brother)
    viii) Sister (including step-sister)

3.10 **"Related Party Transaction"** has the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand; or

b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023 regardless of whether a 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, its subsidiary or associate company
vii) underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
(b) corporate actions which are uniformly applicable/offered to shareholders in proportion of their shareholding such as
  i) payment of dividend;
  ii) subdivision or consolidation of securities by the Company;
  iii) issuance of securities by way of a rights issue or a bonus issue; and
  iv) buy-back of securities.
(c) retail purchases from Srivari or any of its subsidiaries by its directors or employees, without establishing any business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

Further, remuneration and sitting fees paid by Srivari or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

3.11 **"Material Related Party Transaction"** means a transaction with a Related Party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 50 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.12 **"Material Modification"** in relation to the Company means and includes any modification to an existing related party transaction having a variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

3.13 **"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated parties, so that there is no conflict of interest;

3.14 **“Key Managerial Personnel” or “KMP”** shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP.

3.15 **“Subsidiary Company”** shall have the same meaning as specified under section 2(87) of the Act.

3.16 **“Turnover”** shall have the same meaning as specified under section 2(91) of the Act.

3.17 “**Wholly Owned Subsidiary”** means when a company holds 100% of shares of another company, the other company is called a Wholly Owned Subsidiary of the company.

3.18 **“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 dated February 14, 2025.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 & SEBI Listing Regulations or any other applicable law or regulation & 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 and the decision of the Audit Committee in such a case shall be final. 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.

4. MATERIAL RELATED PARTY TRANSACTION/ MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions with its related party. In any event, if a Related Party Transaction (“RPT”) exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions. None of the related parties (“RPs”) of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RP’s can cast only negative vote to reject the resolution seeking approval of material RPT(s)).

Srivari Spices and Foods Limited has fixed the following materiality thresholds for the purpose of Regulation 23 of the SEBI Listing Regulations:

• Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per its last audited financial statements.

• Other transactions with a Related Party – lower of Rs. 50 crore or 10% of the consolidated annual turnover of the Company as per its last audited consolidated financial statements

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Audit Committee and the Board, once in every three years, and updated accordingly.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

5.1 Identification of Related Parties

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act, read with the Rules framed thereunder under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

5.2 Identification of Related Party Transactions

The Company has formulated guidelines for the identification of related party transactions in accordance with Section 188, read with Section 177 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

Every Director, Key Managerial Personnel and Senior Management Personnel are responsible for providing notice to the Board or the Audit Committee, of any potential Related Party Transaction involving him/her or his/her relative, including any 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.

All Directors are required to declare and disclose their concerns or interests in any company or companies or bodies corporate at the first Board meeting in every financial year and subsequently whenever there is any change in disclosures. In addition, the Directors shall ensure that any business transactions entered into between the Company and themselves comply with the terms of this Policy.

The Company prefers to receive such notice (or any changes thereof) 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.

5.3 MECHANISM FOR REVIEW AND APPROVAL FOR RPT & SUBSEQUENT MATERIAL MODIFICATIONS

5.3.1 APPROVAL OF THE AUDIT COMMITTEE

5.3.1.1 TRANSACTIONS WHICH ARE ON ARM'S LENGTH BASIS & IN ORDINARY COURSE OF BUSINESS

a) Every Related Party Transaction [and subsequent Material Modifications] shall be subject to prior approval of the Audit Committee; only Independent Directors shall approve.

b) Prior approval of shareholders by way of ordinary resolution if such RPTs are "Material Related Party Transactions" as defined above.

5.3.1.2 TRANSACTIONS WHICH ARE EITHER NOT ON ARM'S LENGTH BASIS AND / OR NOT IN ORDINARY COURSE OF BUSINESS

a) Every Related Party Transaction [and subsequent Material Modifications] shall be subject to prior approval of the Audit Committee; only Independent Directors shall approve.
b) Prior approval of Board of Directors.
c) Prior approval of shareholders by way of **ordinary resolution** if such RPTs are "Material Related Party Transactions" as defined above.

5.3.1.3 TRANSACTIONS TO WHICH A SUBSIDIARY OF THE COMPANY IS A PARTY BUT THE COMPANY IS NOT A PARTY

Prior approval of the Audit Committee if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year, **Exceeds 10%** of the annual **standalone turnover of the subsidiary**

Note –

i) "Turnover" shall be as per the last audited financial statements.
ii) Prior approval of shareholders of the Company shall not be required for such transaction where the subsidiary is listed in Stock Exchange(s) & Reg. 23 and 15 (2) of SEBI Listing Regulations are applicable.

Prior approval of the Audit Committee shall not be required for:

i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
iii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
iv. 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.
v. remuneration and sitting fees paid by Company or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

The Threshold Limits for Related Party Transactions:

Audit Committee	Board of Directors	Shareholders
Every Related Party Transaction [and subsequent Material Modifications]	▪ Related Party Transactions referred by the Audit Committee for approval of the Board. ▪ Related Party Transactions requiring shareholders' approval. ▪ All kinds of transactions specified under Section 188 and which are not in the ordinary course of business and/or not at arm's length basis.	▪ All material Related Party Transactions [and Subsequent Material Modifications] ▪ Any Related Party Transaction which is not in the ordinary course of business and/or not at arm's length basis.

5.3.1.4 OMNIBUS APPROVAL BY AUDIT COMMITTEE

The Company may obtain omnibus approval from the Audit Committee for all Related Party Transactions subject to compliances with the conditions prescribed in paras 1 to 9 below.

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
   i) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
   ii) The maximum value per transaction which can be allowed;
   iii) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
   iv) review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
   v) transactions which cannot be subject to the omnibus approval by the Audit Committee.

2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
   i) repetitiveness of the transactions (in past or in future);
   ii) justification for the need of omnibus approval.

3. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;

4. 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 RPTs as per the provisions of the InduIndustry Standards and
   - (iv) such other conditions as the Audit Committee may deem fit.

   Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

5. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company or the subsidiary pursuant to each of the omnibus approval given;

6. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.

7. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

8. Omnibus approval can be granted by the audit committee for related party transactions of the Company as well as of its subsidiaries.

9. Any other conditions as the Audit Committee may deem fit

5.3.2 APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are, as per the Policy, determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;

c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;

d) Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

5.3.3 APPROVAL OF THE SHAREHOLDERS OF THE COMPANY

All the transactions (and subsequent material modifications) with related parties exceeding the materiality thresholds, laid down in the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative vote to reject the shareholders resolution of material RPT).

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

(a) are not at Arm's Length or not in the ordinary course of business; and

(b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' prior approval for Material Related Party Transactions shall not be applicable for the following cases:

ii. transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

iii. Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

iv. Related Party Transactions of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the shareholders of the listed subsidiary is obtained.

v. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

vi. 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.

5.3.4 CAVEATS

RESTRICTIONS ON PARTICIPATION BY INTERESTED DIRECTORS.

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

VOTING BY RELATED PARTIES.

No related party shall vote to approve RPTs requiring Shareholders' approval, irrespective of whether the entity is a related party to the particular transaction or not.

Explanation –

No related parties shall vote to appoint/reappoint any related parties in general meetings.

6. DISCLOSURES

- The Company shall disclose, Related Party Transactions with proper justification shall be disclosed in the Director's Report.

- The Company shall disclose policy on dealing with Related Party Transactions on its website and a link to the same shall be provided in the Annual Report.

- The Company shall place all the information, as per 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 RPTs as applicable.

- The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed, every six months, in the format specified by the SEBI/stock exchanges, simultaneously with the publication of the financial results. The Company shall simultaneously upload the disclosure at its website.

  Provided that the remuneration and sitting fees paid by the company or its subsidiary to its director, key managerial personnel or senior management, except who is part of the promoter or promoter group, shall not require disclosure provided that the same is not material in terms of the provisions of sub-regulation (1) SEBI LODR Regulations, 2015.

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification (subject to terms of this Policy), revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate

The members of the Audit Committee, who are independent directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier. Ratification is subject to the following conditions:

(i) 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;

(ii) the transaction is not material in terms of the provisions of sub-regulation (1) of SEBI (LODR) Regulations;

(iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(iv) 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;

(v) any other condition as specified by the audit committee:

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

8. REVIEW OF THE POLICY

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to a change in the Regulations or as may be felt appropriate by the Committee. Any changes or modifications to the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that this Policy shall be reviewed by the Board at least once every three years and updated accordingly.

[This Policy is lastly amended as per the recommendations of the Audit Committee meeting held on 30th April 2025 and approved by the Board of Directors at its meeting held on 30th April 2025]

****