

# **SIMRAN FARMS LIMITED**

(Farmers' Friends Since 1989)

CIN:-L01222MP1984PLC002627

# POLICY ON RELATED PARTY TRANSACTION

(\*\*Policy on Materiality of Related Party Transaction and Dealing with Related Party Transaction\*\*)

# **SIMRAN FARMS LIMITED**

# POLICY ON RELATED PARTY TRANSACTION

CLAUSE	CONTENT	PAGE NO.
1.	Preface	3
2.	Purpose	3
3.	Definitions	4
4.	Identification of Related Parties & Transactions:	10
5.	Approval mechanism for entering into Related Party Transactions	11
6.	Disclosure and Reporting of Related Party Transactions	16
7.	Amendments & Limitation	17
8.	Dissemination of Policy	17
9.	Review of the Policy	17

# POLICY ON RELATED PARTY TRANSACTION

# **SIMRAN FARMS LIMITED**

# 1. Preface

Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ["SEBI LODR effective from 1st December, 2015"] provides that the Company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transaction.

SIMRAN FARMS LIMITED (hereinafter referred to as "the Company") is engaged in the business of integrated poultry and poultry products. As a part of its business activity, the Company may deal with entities which are related parties. The Company recognizes that Related Party Transactions (as defined below) may have potential or actual conflict of interest and may raise questions whether such transactions are consistent with the Company's and its shareholders' best interests and in compliance to the provisions of the Companies Act, 2013 ("the Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")(including any statutory any amendments thereto or reenactment thereof).

Section 177 and 188 of the Companies Act, 2013 read with relevant rules provides for certain compliance requirements such as **Audit Committee Approval, Board Approval and Shareholder's Approval under specific circumstances.** Keeping in view the above-mentioned compliance requirements stated in Companies Act, 2013 read with related Rules issued thereon and Regulation 23 of SEBI (LODR) Regulations, 2015, the Board of Directors (the "Board") of **SIMRAN FARMS LIMITED** (the "Company") acting upon the recommendation of the Audit Committee of the Company, has approved and adopted the following policy and procedures with regard to **Related Parties and Related Party Transactions** of the Company.

# 2. Purpose

This policy is intended to ensure **effective approval mechanism and reporting of transactions between the Company and its Related Parties** as defined in the policy. If there exist more than one set of requirements due to applications of multiple laws and regulations, the endeavor must be based on the compliance principle which would meet the higher governance standards.

### 3. **DEFINITIONS**

- ➤ "Arm's Length Transaction" as per Explanation (b) to Section 188(1) of the Companies Act, 2013 means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- ➤ "Associate Company" means associate company as defined in Section 2(6) of the Companies Act, 2013. Accordingly, "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.
- ➤ "Audit Committee" or "Committee" means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the SEBI Listing Regulations and the Companies Act, 2013.
- ➤ "Board" means the Board of Directors of SIMRAN FARMS LIMITED
- ➤ "Company" or "Simran" means SIMRAN FARMS LIMITED
- ➤ "Control" shall have the same meaning as defined in Section 2(27) of the Companies Act, 2013. Accordingly, "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- ➤ "Holding Company" means "Holding Company" as defined in Section 2(46) of the Companies Act, 2013. Accordingly, "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" (KMP) means as defined in Section 2(51) of the Companies Act, 2013. Accordingly, "Key Managerial Personnel", in relation to a company, means—
  - (i) the Chief Executive Officer or the managing director or the manager;
  - (ii) the Company secretary;
  - (iii) the Whole-time director;
  - (iv) the Chief Financial Officer;
  - (v) such other officer, not more than one level below the directors who is in wholetime employment, designated as key managerial personnel by the Board; and
  - (vi) such other officer as may be prescribed
- > "Material Related Party Transactions" (Material RPT) means a Material RPT as per Explanation to Sub-regulation 1 of Regulation 23 of SEBI (LODR) Regulations, viz., a transaction with a related party 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.
- ➤ "Material Modifications" means any change in the approved terms which has a financial implication of 25% or more of the contract/transaction value or Rs 5.00 crore, whichever is lower.
- ➤ "Office or Place of Profit" as per the Explanation (a) to Section 188(1) of the Companies Act, 2013 means any office or place—
  - (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
  - (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- **Policy**" means this Policy, as amended from time to time.
- ➤ "Related Party" as defined in clause (zb) of Regulation 2(1) of SEBI (LODR) Regulations, 2015, means
- (A) a related party **as defined under Sub-section 76 of Section 2 of the Companies Act, 2013** or under the applicable accounting standards:

### Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
- (i) of twenty per cent or more; or
- (ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

# As per sub-section 76 of section 2 of the Companies Act, 2013, Related Party with reference to the Company means-

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:
  - Provided that nothing in point (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any body corporate which is—
  - (A) 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;";

*Explanation*—For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the Company becoming an associate company of the body corporate.

(ix) such other person as may be prescribed;

# As per Rule 3 of Companies (Specification of Definitions Details) Amendment Rules, 2014,

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

(B) Such entity is a related party under the applicable Accounting Standards.

### As per Accounting Standard 18, Para 10: -

**Related party** - Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

### Control -

- (a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or
- (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise, or
- (c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

<u>Significant influence</u> - Participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

The Accounting Standard 18 further provides explanations and illustrations in relation to the above-mentioned definitions in Para 3,11,12,13 and 14 of the standard.

- ➤ "Related Party Transactions" (RPT) means, as defined in clause (zc) of Regulation 2(1) of SEBI (LODR) Regulations, 2015, transfer of resources, services or obligations between:
  - (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
  - (ii) a listed entity 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 listed entity 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:

Provided that the following shall not be a related party transaction:

- (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) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
- i. payment of dividend;
- ii. subdivision or consolidation of securities;
- iii. issuance of securities by way of a rights issue or a bonus issue; and
- iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time.

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

(e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

- > "Specified Related Party Transactions (Specified RPT)", means, in accordance with Section 188 (1)(a) to (g) of the Companies Act, 2013, contract or arrangement with a related party with respect to:
  - (a) sale, purchase or supply of any goods or materials;
  - (b) selling or otherwise disposing of, or buying, property of any kind;
  - (c) leasing of property of any kind;
  - (d) availing or rendering of any services;
  - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

- (g) underwriting the subscription of any securities or derivatives thereof, of the Company.
- ➤ "Relative" means, as defined in clause (zd) of Regulation 2(1) of SEBI (LODR) Regulations, 2015, relative as defined in sub-section 77 of section 2 of the Companies Act, 2013 and rules prescribed there under:

As per Sub-section 77 of Section 2 of the Companies Act, 2013, "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 as may be prescribed;

Accordingly, as per Rule 4 of Companies (Specification of definitions details) Rules, 2014 includes a person who shall be deemed to be relative of another, if he or she is related to another in the following manner, namely: -

- (1) Father (includes step-father)
- (2) Mother (including step-mother)
- (3) Son (including step-son)
- (4) Son's wife.
- (5) Daughter
- (6) Daughter's husband
- (7) Brother (including step-brother)
- (8) Sister (including step-sister)
- > "Transaction" with a related party shall be construed to include a single transaction or a group of transactions.
- ➤ "Subsidiary Company" means, as defined in clause (zm) of Regulation 2(1) of SEBI (LODR) Regulations, 2015, subsidiary company as defined in sub-section 87 of section 2 of the Companies Act, 2013.

Accordingly, as per Sub-section 87 of Section 2 of the Companies Act, 2013, "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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI LODR, SEBI Act, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, unless the context otherwise require.

### 4. IDENTIFICATION OF RELATED PARTIES & TRANSACTIONS:

- A. Every Director will be responsible for providing a declaration containing the following information to the Company Secretary and Compliance Officer of the Company on an annual basis and whenever there is a change in the information provided:
  - (1) Names of his / her Relatives;
  - (2) Partnership firms in which he / she or his / her Relative is a partner;
  - (3) Private Companies in which he / she or his / her Relative is a member or a Director;
  - (4) Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
  - (5) Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
  - (6) Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).
- B. Every Key Managerial Personnel of the Company will be responsible for providing a declaration containing the following information to the Company Secretary and Compliance officer of the Company on an annual basis and whenever there is a change in the information provided:
  - (1) Names of his / her Relatives;
  - (2) Partnership firms in which he / she or his / her Relative is a Partner;

- C. Every Director or Key Managerial Personnel of the company will be responsible for providing a declaration containing the information to the Company Secretary and Compliance officer of the Company on an annual basis and whenever there is a change in the information pertaining to Names of his / her Relatives;
- D. Every Director, Key Managerial Personnel, officers authorized to enter into contracts/ arrangements will be responsible for providing prior Notice to the Chief Financial Officer with a copy to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.
- E. Besides the above, the Company will also identify other Related Parties as required under the Companies Act, 2013 and under SEBI LODR, as amended from time to time.
- F. Any transaction by the Company with a Related Party will be regulated as per this Policy.

# 5. APPROVAL MECHANISM FOR ENTERING INTO RELATED PARTY TRANSACTIONS

- 1. All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the Company whether at a meeting or by resolution by circulation or any other manner as provided by the Act or Rules made there under.
- 2. Where the Company enters into a contract / transactions with a related party, which stipulates details of every transaction like nature of the transaction, period of transaction, contract price or methodology of price determination / variation, if any, maximum amount of transaction, credit terms etc., prior approval once given by the Audit Committee would suffice and Audit Committee would only note the transactions that are entered into pursuant to such agreement and such transactions will not require any additional approval of the Audit Committee.
- 3. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions, namely-
  - (a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

- (b) The Audit Committee shall satisfy for following criteria while making omnibus approval:
  - a. Need for such omnibus approval and that such approval is in the interest of the Company;
  - b. Repetitiveness of the transactions (in past or in future)
  - c. Justification for the need of omnibus approval
- (c) Such omnibus approval shall provide disclosure SEBI circular (SEBI/HO/CFD/CMD1/CIR/P/2021/662) dated 22<sup>nd</sup> November, 2021 and as per Rule 6A of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015 and Regulation 23 of SEBI LODR and amendment thereto, from time to time.
  - Notwithstanding above, omnibus approval shall not be made for selling or disposal of the substantial undertaking between related parties.
- (d) In cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. One Crore per transaction or such amount as may be prescribed from time to time.
- (e) All Omnibus approvals granted pursuant to Companies Act, 2013 and SEBI LODR shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year. However, the Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the company or its subsidiary pursuant to each of the omnibus approval given.
- 4. A member of the Committee who has a potential interest in any Related Party Transaction will not remain present at the meeting when such Related Party Transaction is considered.
- 5. The Board would approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or SEBI LODR and/or transactions referred to it by the Audit Committee.
- 6. Where any director is interested in any Related Party Transaction, such director will not remain present at the meeting when such Related Party Transaction is considered.
- 7. To review a Related Party Transaction, the Board/ Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other matter, as may be required. In determining

whether approval needs to be accorded to a Related Party Transaction, the Board/Audit Committee will consider the following factors:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis as if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would impair the independence of an otherwise Independent Director;
- Whether the Related Party Transaction would present a conflict of interest for any
  Director, or KMP of the Company, taking into account the size of the transaction,
  the overall interest of the Director, KMP or other Related Party, the direct or
  indirect nature of the Director's, KMP's or other Related Party's interest in the
  transaction and the ongoing nature of any proposed relationship and any other
  factors the Board/ Audit Committee deem fit to consider.
- 8. Further, in terms of the provisions of the SEBI LODR, all material related party transactions and subsequent material modifications as may be prescribed from time to time shall require prior approval of the shareholders of the Company through resolution (unless it is exempted pursuant to the provisions of SEBI LODR) and no related party shall vote to approve such resolution(s) whether the entity is a related party to the particular transaction or not:
- 9. 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:
  - (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 this regulation
  - (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) The Audit Committee shall determine whether the transaction does, in fact, constitute a related party transaction requiring compliance with this Policy.
  - (vi) Company shall not give any loan/advance/guarantee directly or indirectly to any director, director of holding company, or any partner or relative of any such director and anybody corporate in which he or his relatives are interested subject

to conditions laid down by the Companies Act 2013 and rules framed there under. Company shall not directly or indirectly give loan or give any guarantee or security in connection with loan to any person or body corporate exceeding prescribed limits. However, such restrictions would not apply to transactions with wholly owned subsidiaries.

- (vii) any other condition as specified by the audit committee:
- 10. 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 authorized by any other director, the director(s) concerned shall indemnify the company against any loss incurred by it.
- 11. Notwithstanding anything mentioned herein, 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 two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- 12. Transactions involves 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 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(1).
- 13. As per section 188 of the Companies Act, the contract or arrangement with respect to the specified transactions which are not on an arm's length or in the ordinary course of business and are within the threshold limits as specified in the rules (reproduced below), shall be entered into with a related party only with the consent of the Board of Directors given by a resolution at the Board Meeting.

All Related Party Transactions pursuant to Section 188 of the Companies Act, 2013 which are not in the ordinary course of business and / or not an Arms' length basis and which crosses the threshold limits (reproduced below) prescribed under Companies Act, 2013 from time to time, shall also require the requisite approval of shareholders of the Company (unless it is exempted pursuant to the provisions of the Act) and no member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

S.No.	<b>Particulars</b>	Company Law Requirement
1.	Sale, Purchase or Supply of any goods or Materials directly or through appointment of agents*	Amounting to 10% or more of the turnover of the company

2.	Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents*	Amounting to 10% or more of the networth of the company
3.	Leasing of Property of any kind	Amounting to 10% or more of the turnover of the company
4.	Availing or Rendering of any Services directly or through appointment of agents*	Amounting to 10% or more of the turnover of the company
5.	Appointment of any agent for purchase or sale of goods, materials, services or property*	As stated above under respective transactions**
6.	Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company*	Monthly remuneration > Rs. 2.50 Lakh**
7.	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company. *	>1% of Net worth**

<sup>\*</sup>The limits specified above for these transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

\*\*The Turnover or Net Worth referred in the above transactions shall be computed on the basis of Audited Financial Statement of the preceding financial year.

<u>Note</u>: In case of a wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.

- 14. "Ordinary course of business" would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per the Memorandum & Articles of Association of the Company.
- 15. In case, the shareholders do not approve a Related Party Transaction, the Board / Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.
- 16. The summary of the approval mechanism under SEBI (LODR) Regulations, 2015 and Companies Act 2013 is provided as under:

Details of Transaction	Approving Authority
All related party transactions (other than those mentioned below) and any modifications to the contracts/ arrangements	<ul> <li>Audit Committee (including Omnibus Approval for a maximum period of one year)</li> </ul>
Specified RPTs which are not in Ordinary Course of Business or not on arm's length basis or both (less than threshold limits)	<ul> <li>Recommendations by Audit Committee</li> <li>Approval by Board of Directors.</li> </ul>
Specified RPTs which are not in Ordinary Course of Business or not on arm's length basis or both (beyond threshold limits)	<ul> <li>Recommendations by Audit Committee to Board</li> <li>Recommendations by Board to Shareholders</li> <li>Approval by shareholders</li> </ul>
Material RPTs	<ul> <li>Recommendations by Audit         Committee to Board</li> <li>Recommendations by Board         to Shareholders</li> <li>Approval by shareholders.</li> </ul>

In the event of inadvertent omission to seek the approval of the Related Party Transactions in accordance with the policy, the Audit Committee/Board/Shareholders reserve the right to ratify as they may deem fit.

# 6. DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS

Every Related Party Transaction / contracts or arrangements that are:- (i) material or (ii) not at arm's length basis and/ or ordinary course of business, shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction as per the requirement of the Companies Act, 2013.

The various business heads, department heads or any person authorized to enter into any transaction on behalf of the Company shall in case of a related party transactions, first consult the CFO and obtain his confirmation that the transaction is both in the ordinary course of business and at Arm's length basis and requisite approvals are in place.

This Policy shall be placed on the website of the Company at www.simranfarms.com and a web link thereto shall be provided in the Annual Report.

The Company shall make disclosures as may be required pursuant to the applicable law relating to related party transactions.

## 7. AMENDMENTS & LIMITATION

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendation(s) of Audit Committee, from time to time.

This Policy, including definition and other provisions of the Policy shall stand amended because of any regulatory amendments, clarifications etc. in the applicable laws, rules and regulations. In case of any amendment(s), clarification(s), circular(s), notification(s), etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions of this Policy.

The words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law or regulation, as amended from time to time.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy.

### 8. DISSEMINATION OF POLICY

This Policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

# 9. REVIEW OF THE POLICY

This Policy was amended on 11<sup>th</sup> February, 2025 and shall be reviewed by the Board of Directors of the Company once every three years, or earlier if deemed necessary, and updated accordingly.

For SIMRAN FARMS LIMITED

Sd/-CS Tanu Parmar CS and Compliance Officer