

**AGRIBIO SPIRITS LIMITED**

**POLICY ON RELATED PARTY TRANSACTIONS**

**1. Preamble**

The Board of Directors (the "Board") of Agribio Spirits Limited (the "Company" or "ASL"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Board will review and may amend this policy from time to time based on the recommendation by the Audit Committee.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

**2. Purpose**

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and in terms of Section 188 of the Companies Act, 2013 as amended from time to time, the Policy on Related Party Transactions is formulated which supersedes earlier policy in this regard and it is intended to ensure the proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

Such Related Party transactions are considered appropriate only if they are in the best interests of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements and in the Annual Report certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

**3. Definitions**

3.1 "**Act**" means the Companies Act, 2013 including rules enacted thereunder as amended from time to time.

3.2 "**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.

3.3 "**Company**" means Agribio Spirits Limited.

3.4 "**Board**" means Board of Directors of the Company.

3.5 "**Audit Committee or Committee**" means Committee of Board of Directors of the Company constituted under provisions of Regulation 17 of SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013.



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3.6 **"Key Managerial Personnel"** or **"KMP"** shall have the meaning as defined in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

3.7 **"Related Party"** shall have the same meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1) (zb) of the SEBI Listing Regulations, 2015.

3.8 **"Relative"** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

3.9 **"Related Party Transaction"** shall have the same meaning as defined in Section 188 of Companies Act, 2013 and Regulation 2(1) (zc) of the SEBI Listing Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations, 2015 or any other applicable law or regulation.

3.10 **"Material Related Party Transaction"** means 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

### 4. Manner of dealing with Related Party Transaction

#### 4.1 Identification of Related Parties:

The related parties are identified based on the provisions as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1) (zb) of the SEBI Listing Regulations, 2015.

#### 4.2 Identification of Related Party Transactions ("Covered Transactions"):

As a Policy, the Company shall periodically identify transactions to be entered into with related parties for the consent of the Audit Committee, Board of Directors and shareholders, as applicable.

the Company has identified the related party transactions and subsequently categorized them into the following segments:

- 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



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g) underwriting the subscription of any securities or derivatives thereof, of the company:

Any other related party transaction identified during the periodic review not covered into the aforementioned category shall be independently reviewed, approved and included as a part of related party policy mechanism.

The Company shall report the transactions of aforementioned categories entered into with related parties identified as per this policy, and put the same for necessary approvals required as per the Applicable Law.

### **4.3 Approvals for transactions with Related Parties:**

#### **I. Approval of the Audit Committee:**

According to SEBI Master Circular dated 11th November 2024, providing broad requirements on the information to be placed before the Audit Committee and subsequent circular no SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025 introducing industry standards for the minimum information that listed entities must provide to the audit committee and shareholders when seeking approval for related party transactions (RPTs). The Company shall furnish comprehensive details about the related party, the nature of the relationship, the transaction's terms, and its rationale. This includes information on pricing, valuation reports, and any other relevant details that would assist the audit committee in its review. These standards aim to enhance transparency and ensure a uniform approach in the disclosure and approval processes for RPTs.

Prior approval of the Audit Committee by only those members of the audit committee, who are independent directors would be required for following cases:

- a) All related party transactions and subsequent material modifications as defined in Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.
- b) A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- c) 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 Clause 3.10 of this Policy.

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



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- a) 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;
- b) the transaction is not material in terms of the provisions of Clause 3.10 of this Policy;
- c) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification
- d) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the SEBI Listing Regulations, 2015
- e) any other condition as specified by the audit committee

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 authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

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, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
  - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into
  - ii. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - iii. The maximum value per transaction which can be allowed;
  - iv. extent and manner of disclosures to be made to the Audit committee at the time of seeking omnibus approval;
  - v. 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;
  - vi. transactions which cannot be subject to the omnibus approval by the Audit Committee
- b) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- c) The omnibus approval shall specify-



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- i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that can be entered into,
- ii. basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and
- iii. 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.

- d) The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiaries pursuant to the omnibus approval given.
- e) Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.

## **II. 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 required to be placed before the Audit Committee and Board for its approval.

## **III. Approval of the Shareholders of the Company**

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 3.10 of this Policy and subsequent material modifications, shall require prior approval of the shareholders through resolution.

For this purpose, all entities, parties/categories falling under the definition of related parties shall not vote to approve the relevant resolution, irrespective of whether the entity is a party to the particular transaction or not

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI Listing Regulations, 2015 from time to time shall be provided in the Notice to the shareholders seeking approval for any RPT shall include the information as part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction.

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



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b) exceed the thresholds laid down in Rule 15 (3) of the Companies (Meetings of Board and its Powers Rules, 2014 made under the Companies Act, 2013 shall be placed before the shareholders for its Approval.

Further, all material related party transactions and subsequent material modifications as mentioned under Regulation 23 of SEBI Listing Regulations, 2015 shall also be placed before the shareholders for its approval.

These provisions shall not be applicable in the following cases:

- (a) transactions entered into between two public sector companies;
- (b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (d) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

### 5. Disclosures

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

In addition to the above, the Company shall also submit details of all related party transactions to the stock exchanges in the format specified by the SEBI within such timelines as prescribed by the SEBI from time to time and the same shall also be published on the Company's website.

### 6. Review of the Policy

The Audit Committee shall review and recommend the amendment if necessary, to this Policy to the Board and the Board shall review at least once in every three years and amend the Policy accordingly, considering the changes that may be brought about due to any regulatory amendments or otherwise. This policy shall be revised upon changes in the regulations relevant to RPTs to make the policy consistent with the laws in force.

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy.



## **7. Amendment**

The Board reserves its right to amend or modify the Policy in whole or in part, at any time when it deems appropriate without assigning any reason whatsoever to suit the requirements under the applicable SEBI Regulations and other laws. However, no such amendment or modification shall be binding unless the same is notified in writing and approved by the Audit Committee and the Board of Directors of the Company.

**Date: 17th May, 2025**