



OSWAL AGRO MILLS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS (Updated till January 28, 2025)

OSWAL AGRO MILLS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

Preamble

The Board of Directors (the “Board”) of Oswal Agro Mills Limited (the “Company”), has adopted this policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, this policy shall also be reviewed by the Board of Directors at least once in every three years and updated accordingly. This policy is 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 to the Company

Objective

This Policy may be called the ‘*Policy on materiality of and dealing with Related Party Transactions*’ (hereinafter referred to as “Policy”).

This Policy shall regulate transactions between the Company and its related parties based on the applicable laws, rules and regulations framed thereunder and also lay down mechanism for the identification, approval, review and reporting of such transactions.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

Definitions

The Act: means Companies Act, 2013 and rules made thereunder, including any modifications, amendments, clarifications, circulars thereof as amended from time to time.

Accounting Standards: means the standards of accounting or any addendum thereto or companies or class of companies referred to in section 133 of the Act.

Audit Committee: means the committee of the Board of Directors constituted under section 177 of the Act and SEBI Listing Regulations.

Board: means the Board of Directors of the Company.

Key Managerial Personnel: means the person(s) appointed as such under section 203 of the Act and/or person(s) covered under applicable Accounting Standard.

Related Party: shall have the meaning ascribed to the term in Regulation 2(1)(zb) of the SEBI Listing Regulations, in Section 2(76) of Act and/ or under the applicable accounting standards.

Related Party Transaction (RPT): shall have the meaning ascribed to the term in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or Section 188 of the Act, as amended from time to time.

However, the transactions specifically exempted under Regulation 2(1)(zc) of SEBI Listing Regulations or any other applicable laws shall not be considered as Related Party Transactions.

Relative: shall have the meaning ascribed to the term in Regulation 2(1)(zd) of the SEBI Listing Regulations, in Section 2(77) of Act and/ or under the applicable accounting standards.

Material Related Party Transaction: means a transaction with a Related Party which is material in accordance with the thresholds as prescribed in the SEBI Listing Regulations.

Unforeseen Related Party Transaction: means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.

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.

Transactions in the 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 Memorandum & Articles of Association.

Modifications: in relation to the Related Party Transaction(s) shall mean any change/variation/modification in an existing related party transaction/contract/arrangement.

Material modification: means any modification to the previously approved Related Party Transaction which shall result in a variance on the pricing, quantity and/or overall transaction value by 20% or more.

Concerned or Interested Director or Key Managerial Personnel: means a Director or Key Managerial Personnel, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

- a) with a body corporate in which such director or such director in association with any other director, or key managerial personnel, holds more than two percent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- b) with a firm or other entity in which, such director or key managerial personnel is a partner, owner or member, as the case may be.

Monetary value: Monetary value of related party transactions approved by the Audit Committee or Board or Shareholders, as the case may be, shall be exclusive of any applicable taxes thereon viz. GST, cess etc.

All capitalized terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Act and the Rules made there under and the SEBI Listing Regulations, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date

of the concerned transaction) shall prevail.

Procedure

Identification of Related Party

On the basis of criteria prescribed under the Act and/or SEBI Listing Regulations, the list of related parties shall be compiled, which shall be updated from time to time.

Approvals of Related Party Transactions

Audit Committee:

All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity.

All the Related Party Transaction(s), to which a subsidiary of the Company is a party but the Company is not a party, and if the value of such transactions exceeds the thresholds specified in the SEBI Listing Regulations in this regard, and any Material Modification(s) thereto.

Provided that in respect of modifications that are not Material Modifications:

- (a) Such modification is submitted to the Audit Committee for review, at its meeting to be held in the immediately succeeding quarter after such modification is effected,
- (b) The modification is in the ordinary course of business and arm's length, and necessary information and documents evidencing the same are submitted to the Audit Committee.

Remuneration and sitting fees paid by the listed entity 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.

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under regulation 23(3) of the SEBI Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee may also grant omnibus approval for Unforeseen Related Party Transactions in the manner specified under the SEBI Listing Regulations.

The audit committee shall mandatorily 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 approvals given.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

Audit Committee shall be provided all relevant and material information on proposed Related Party Transactions, including the terms thereof, business case, justification of arm's length terms etc. Basis this, the Audit Committee could either approve or reject a proposed Related Party Transaction.

Only those members of Audit Committee who are Independent Directors, will approve Related Party Transactions. Any member of Audit Committee having a potential interest in the proposed RPT, will recuse himself and abstain from discussion and voting on the proposal for approval of the said transaction.

Board of Directors:

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

Shareholders:

Approval of shareholders' through a resolution is required for all (i) Material Related Party Transactions and Material Modifications thereto (ii) Transactions specified in Section 188(1) of the Act which are not in the ordinary course of business and/or not on arm's length terms; and exceed the threshold specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or reenactment thereof. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

In the event the Company becomes aware of any Related Party Transaction is entered into by the Company without obtaining prior consent of the Audit Committee / Board / Shareholders, as the case may be, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

The Related Party Transactions entered into by the Company shall be subject to post-facto review by the Audit Committee on quarterly basis.

Recording of Related Party Transactions

The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

Deemed Approval

Transactions or arrangements which are specifically dealt in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be required to be approved under this Policy, including but not limited to the following:

- a) Payment of remuneration in any form (including sitting fee, commission, ESOPs, other shares based incentive plans etc.) to any Director, Key Managerial Personnel and Senior Management except who is part of promoter or promoter group, provided that the same is not a Material Related Party Transaction.
- b) CSR Contribution & other charitable contribution as approved by CSR Committee
- c) Corporate actions which are uniformly applicable to everyone including related parties.
- d) Corporate Restructuring such as merger, demergers, capital reductions etc
- e) Other transactions or arrangements exempted under the Act and/or SEBI Listing Regulations

Disclosure Of Related Party Transactions

Particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under SEBI Listing Regulations, the Act (including rules made there under), from time to time.

The Company shall host the Policy on its website viz. www.oswalagromills.com and weblink of the same shall be provided in the Annual Report.

Limitation and Amendments

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. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.