



SINTERCOM

India Ltd.

**POLICY ON MATERIALITY OF RELATED PARTY
TRANSACTION AND ON DEALINGS WITH RELATED
PARTY TRANSACTIONS**

(As Amended upto 12th May, 2025)

Revision History:

Sr. No.	Date of Revision / Review	Version	Description of Change
1.	29 th November, 2017	I	Adoption of Policy
2,	30 th March, 2022	II	Modified w.r.t. the Sixth Amendment to the SEBI LODR Regulations dated 9 th November, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 nd November, 2021
2.	12 th May, 2025	III	Insertion of Criteria for Omnibus Approval & Due to recent regulatory changes

1. PREAMBLE

The Board of Directors (the “Board”) of Sintercom India Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

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

2. PURPOSE

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof (“SEBI LODR”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

3. DEFINITIONS

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“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. Terms will be treated as on ‘Arm’s Length Basis’ if the commercial and key terms are comparable and are not materially different with similar transactions with non-related parties considering all the aspects of the transactions such as quality, realizations, other terms of the contract, etc. In case of contracts with related parties for specified period/ quantity/ services, it is possible that the terms of one-off comparable transaction with an unrelated party are at variance, during the validity of contract with related party.

In case the Company is not doing similar transactions with any other non- related party, terms for similar transactions between other nonrelated parties of similar standing can be considered to establish “arm’s length basis”.

Other methods prescribed for this purpose under any law can also be considered for establishing this principle.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013 as amended from time to time.

“Associate Company” means any other Company, in which the 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

“significant influence” means control of at least twenty per cent of total share capital, or business decisions under an agreement.

“Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Material Related Party Transaction” means as defined in clause (a) to (g) of sub-section 1 of Section 188 of the Companies Act, 2013 with the Related Parties as defined in the Companies Act, 2013, which are either not in the ‘Ordinary Course of Business’, or are not on an ‘arm’s Length Basis’ and exceeds the threshold limits as stipulated under the Section 188 of the Companies Act, 2013 (the same is reproduced herein as **Annexure-I**) shall require prior approval of the shareholders and shall include

- Transaction(s) to be entered individually or taken together with previous transactions during the Financial Year exceeds Rs.1,000 crores or 10% of the annual consolidated turnover of the Company as per the latest audited Financial Statements, whichever is lower.
- a transaction involving payments made to a related party with respect to brand usage or royalty if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements.

“Material Modification” shall mean a modification of the approved Related Party Transaction(s) where the value involved or impact of an event exceeds 20% (twenty percent) or more, in the relevant previously approved related party transaction.

“Ordinary Course of Business” means any activity or transaction carried out in the normal course of business of the Company and which is in the common parlance of its operations and customs as prevalent in the industry.

Explanation: The Committee or Board shall determine and judge whether a proposed transaction is on an arms’ length basis or is in the ordinary course of business based on the documents submitted, information provided, and disclosures made to it. The Committee or Board may seek advice from any expert or external third party having expertise in the proposed matter for analyzing the appropriateness of the transaction and for determining whether it is on an arms’ length basis and in the ordinary course of business.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder or under the applicable accounting standards:

The following shall also be treated as the Related Party –

- a) all persons or entities forming part of promoter or promoter group (including entities over which the promoter or promoter group may have control or significant influence) irrespective of their shareholding;
- b) any person/entity holding equity shares in the listed entity, 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.

“Related Party Transaction or transaction (“RPT)” means and includes:

a) As per Regulation 2(1) (zc) of the Listing Regulations:

A transaction involving a transfer of resources, services or obligations between

- 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
- 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

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.

b) As per Section 188 of the Act:

- a. Contracts or arrangements with Related Party with respect to:
- b. Sale, purchase or supply of any goods or materials;
- c. Selling or otherwise disposing of, or buying, property of any kind;
- d. Leasing of property of any kind;
- e. Availing or rendering of any services;
- f. Appointment of any agent for purchase or sale of goods, materials, services or property;
- g. Such Related Party's appointment to any Office or Place of Profit in the Company, its Subsidiary Company or Associate Company; and
- h. Underwriting the subscription of any Securities or derivatives thereof, of the Company.

"Relative" means relative as defined under Section 2(77) of the Companies Act, 2013 and the rules prescribed thereunder.

All other words and expressions used but not defined in the Policy but defined in the Act, the SEBI Act, 1992, the Listing Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. POLICY & PROCEDURE

➤ **Policy**

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

➤ **Procedures**

A. Identification of Related Party Transactions

Every Director, Key Managerial Personnel, and Senior Management of the Company is responsible for providing notice to 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 Audit Committee may request. Company Secretary shall be responsible for maintaining updated list of Related Party.

All Directors are required to declare and disclose their concerns or interest in any company or bodies corporate at the first Board Meeting in every financial year and subsequently whenever there is any change in disclosures already made. The Directors shall ensure that any transaction entered into between the Company and themselves shall comply with the terms of this Policy. The Company prefers to receive such notice of any potential related party transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

Further, before any new vendor is onboarded into the SAP or equivalent system of the Company or its subsidiaries, as a part of vendor due diligence process, it shall also be checked from (i) the list of related parties so disclosed and (ii) the promoter group, whether the new vendor is a related party and if so, it has to be tagged as Related Party in the system.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in the Companies Act, 2013 and the rules thereunder and SEBI LODR as amended from time to time.

Every transaction defined as RPT under this Policy shall be carried out in compliance with this Policy and in accordance with Clause B below.

B. Review and approval of Related Party Transaction

Audit Committee

- i. All proposed RPTs and subsequent material modifications thereof shall require prior approval of the Audit Committee of the Company before entering into such transaction.

* Provided that only those members of the Audit Committee, who are independent directors, will approve the proposed related party transactions.
- ii. The Audit Committee shall consider all relevant factors while deliberating the RPTs for its approval as elucidated in **Annexure-II**.
- iii. Any member of the Committee who has a potential interest in any RPT will abstain from participation, discussion and voting on the approval of the RPT.
- iv. The Audit Committee may grant omnibus approval for RPTs in accordance with the terms and conditions as stipulated in **Annexure-III**.
- v. Omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
- vi. The Audit Committee shall review, on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given.
- vii. RPTs entered into in pursuance of Omnibus Approvals will not require prior approval of the Audit Committee. However, RPTs entered into by the Company, which is not under the omnibus approval or for which prior approval by the Committee was not taken, will be placed before the Audit Committee for ratification.
- viii. The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- ix. Prior approval of the Audit committee shall be required for:
 - a. All RPTs and subsequent Material Modifications;
 - b. a related party transaction to which the Company's subsidiary 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 such subsidiary.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

x. Notwithstanding anything to the contrary in 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:

- 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 Regulation 23(1) of SEBI LODR;
- 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 Regulation 23(9) of SEBI LODR;
- v. 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 party related to any director, key managerial personnel and promoters, or is authorised by any other director, key managerial personnel and promoters, the concerned director, key managerial personnel and promoters shall indemnify the Company against any loss incurred by it.

- xi. The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

Approval of the Board and the Shareholders

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, 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 LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.

Provided further that the aforesaid requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Provided further that the Related Party Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval, shall not require approval of the audit committee, board or shareholders.

Provided further that the provisions pertaining to:

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of audit committee, board or shareholders for Material

Related Party Transactions and subsequent Material Modifications shall not be applicable when the transactions are 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. Transactions which do not require approval

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following:

- 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.
- b) retail purchases from the Company 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.
- (c) 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 promoter or promoter group provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

6. Transactions which do not require approval

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.

7. Disclosure

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

The Company shall submit information related to RPTs to the stock exchanges every six months, in the format specified by the SEBI LODR, simultaneously with the publication of financials and also publish the same on its website.

Provided that the 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 disclosure provided that the same is not material in terms of the provisions of sub regulation (1) of SEBI LODR.

The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.

RPTs shall be disclosed in Annual Report, as per applicable provisions of Act and SEBI LODR.

8. APPROVAL BY CIRCULATION OF THE AUDIT COMMITTEE

If the Compliance Officer of the Company determines it impracticable or undesirable to wait until a meeting of the Audit Committee to enter into a proposed related party transaction, such transaction may be approved by the Audit Committee by way of circular resolution in accordance with this Policy and statutory provisions as applicable for the time being.

However, omnibus approvals shall be granted only at the meeting of the Audit Committee.

9. Policy Review

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 change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on 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 _____ and approved by the Board of Directors at its meeting held on _____.

**For and on Behalf of
Sintercom India Limited**

**Jignesh Raval
Managing Director**

**THRESHOLD LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS AS PRESCRIBED UNDER SECTION 188
OF THE COMPANIES ACT, 2013**

Sr. No.	Type of Transaction	Limit
1.*	Sale, purchase or supply of any goods or materials	10% or more of turnover
2.*	Selling or otherwise disposing of, or buying, property of any kind	10% or more of net worth
3.*	Leasing of property of any kind	10% or more of turnover
4.*	Availing or rendering of any services	10% or more of turnover
5.	Such Related Party's appointment to any Office or Place of Profit in the Company, its Subsidiary Company or Associate Company	Monthly remuneration exceeding Rs.2,50,000/-
6.	Underwriting the subscription of any Securities or derivatives thereof, of the Company	1% or more of net worth

* The limit as mentioned shall be calculated on the consolidated basis, i.e., it shall apply for transaction(s) to be entered individually or taken together with previous transaction during the financial year.

**FACTORS AND INFORMATION TO BE CONSIDERED FOR APPROVING
PROPOSED RELATED PARTY TRANSACTION**

1. Type of transaction;
2. Material terms and conditions applicable to such transaction;
3. Jurisdiction for variation in material terms and conditions;
4. Name of related party and its relationship with the Company including nature of its concern or interest, financial or otherwise;
5. Duration of the proposed RPT;
6. Value of proposed transaction along with in terms of percentage to consolidated annual income and net worth of the Company (for transaction involving only subsidiary company, the standalone annual income and net worth of such subsidiary);
7. Justification as to the need and why it is in the interest of the Company;
8. A copy of the valuation report or other external agency report for determining arm length basis and whether it is the ordinary course of business, if required.
9. If the transaction relates to any loan, deposit, guarantee, security or investment, then:
 - a. The object or purpose of utilizing such funding;
 - b. Details of the source of such funding;
 - c. Nature of indebtedness, if any along with its tenure and cost;
 - d. Material covenants including repayment schedule, cost, tenure, collateral security, etc;
10. Any other factor or information as the Committee may deem thinks fit.

* Pursuant to SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 Dated 14th February, 2025 titled "Industry standard on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" management of the listed entity shall provide the Audit Committee and shareholders with the information, as, while placing any proposal for review and approval of a RPT or Material RPT as the case may be.

OMNIBUS APPROVAL

- i. The Audit Committee may grant omnibus approval for the RPTs proposed to be entered into by the Company and are repetitive in nature;
- ii. Criteria for granting Omnibus Approval of Related Party Transactions:
 - a. Maximum value of the transactions in aggregate allowed for the financial year: The Company shall at the beginning of each financial year (in the first Board/ Audit Committee meeting of the Financial year where the full years financials are being tabled for approval) share the maximum limit for each category of transaction with each of the related parties based on the plan for the financial year. Any deviation from the same will be ratified in the subsequent quarters Board/ Audit Committee meeting along with the rationale for such deviation.;
 - b. Maximum value of per transaction allowed during the year: At the beginning of the financial year, the maximum amount per transaction with related parties to be entered during the year may be indicated. If there is a revised forecast during the year, the same may be updated to the Audit Committee. Any deviation from the same will be ratified in the subsequent quarters Audit Committee meeting along with the rationale for such deviation.
 - c. Extent and manner of disclosures to be made to Audit Committee for seeking omnibus approval: Disclosures to be made to the Audit Committee for seeking omnibus approval: Name of the related party, brief description of the transactions, nature and duration of product / service taken / given, value of transaction, the basis for considering the transaction as being at arms' length and in the ordinary course of business along with such other information as the Audit Committee may seek from time to time.
 - d. Review of omnibus approval granted at such regular intervals: The same should be reviewed on quarterly basis by Audit Committee.
 - e. Transactions which cannot be subject to the omnibus approval: Only the transactions which are repetitive in nature and covered above shall be subject to omnibus approval. Any one off transaction other than the ones in ordinary course of business (including Premium, Claims, Commission, reinsurance, reimbursement of shared expenses, investments as per investment guidelines and technology and other support provided within existing agreements with any related party) shall require specific approval of the Audit Committee.
- iii. The Audit Committee shall consider the repetitiveness of transactions with the related parties in the past and in future and also the justification of the need for such omnibus approval and shall satisfy itself that there is need to approve repetitive transactions in the interest of the Company. While approving the related party transactions, for maximum of 1 year at a time, the Audit Committee shall indicate the following in the omnibus approval:
 - Name of the related parties,
 - Nature and duration of the transaction,
 - Maximum amount of transaction that can be entered into,
 - Such other disclosures as may be prescribed by law from time to time,
 - Any other relevant information
- iv. The Committee shall satisfy itself with the need for omnibus approval and such approval shall be in the best interest of the Company;
- v. Further, where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- vi. No omnibus approval shall be granted for selling or disposing of the undertakings of the Company.