

## **Policy on Materiality of Related Party Transactions**

Sunil Agro Foods Limited has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions. An endeavor is consistently made to have arms' length transactions with Related Parties. As per the provisions of the Companies Act, 2013 and Rules made there-under and Regulation 23 of SEBI (LODR) Regulations, 2015 (the 'Listing Regulations'), a Policy is hereby framed as under:-

1. All Related Party Transactions (RPTs) of the Company as prescribed under the Companies Act, 2013 and Regulation 23 of the Listing Regulations will be approved by the Audit Committee of the Board from time to time, subject to the provisions of the Companies Act, 2013 read with rules thereunder and Regulation 23 of the Listing Regulations.
2. Consent of the Board and Shareholders is also be taken in respect of RPTs as specified under the Companies Act, 2013 and Regulation 23 of the Listing Regulations.
3. Where Board consent / Shareholders' approval is required,
  - a) The agenda of the Board meeting at which the resolution is proposed to be moved and
  - b) Explanatory statement to be annexed to the notice of such general meeting, shall disclose all such details / information about the contract as are prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.
4. Where RPTs require approval of the Board and the shareholders through Special Resolution,
  - a) Any Director who is interested in any contract or arrangement with a related party, shall not be present at the meeting during discussions on the subject-matter of the resolution relating to such contract or arrangement, and
  - b) No Related Party shall vote to approve on such resolutions of the shareholders whether the entity is a Related Party to the particular transaction or not.

Currently the Audit Committee in their Meeting held on 29.05.2019 have the following discussions:

The Committee noted and approved the Related Party Transactions for the quarter ended March 31, 2019 as per details placed before it and it was further noted that the transactions were within the Omnibus limits of Rs. 5 crores as already approved by the Committee and that the transactions were in the ordinary course of business and at arm's length terms.

**For 2018-19:**

| <b>Sl. No.</b> | <b>Name of the Related Party</b>       | <b>Transaction details (Description)</b> | <b>Amount per annum (Rs.)</b> |
|----------------|--|--|-------------------------------|
| 1              | Brindavan Roller Flour Mills Pvt. Ltd. | Sales                                    | 7,127,658                     |
| 2              | Markasia Foods Pvt. Ltd.               | Sales                                    | 4,034,590                     |
| 3              | Brindavan Roller Flour Mills Pvt. Ltd. | Purchase                                 | 93,456                        |
| 4              | Markasia Foods Pvt. Ltd.               | Rent received                            | 562,224                       |
| 5              | Sri. B. Shantilal                      | Interest on loan paid                    | 135,820                       |
| 6              | Sri Pramod Kumar S                     | Interest on loan paid                    | 2,206,106                     |
| 7              | Smt.Pinky Jain                         | Interest on loan paid                    | 887,001                       |

The Committee carefully reviewed the potential Related Party Transactions for the year 2019-20. Each such transaction was perused and it was confirmed that the transactions were of recurring nature. It was further informed that all these proposed transactions would be in the ordinary course of business and at arm's length basis. After careful consideration, the Committee granted omnibus approval for Related Party Transactions for the financial year 2018-19 as per the list tabled in the meeting as under:

| <b>Sl. No.</b> | <b>Name of the Related Party</b>       | <b>Transaction details (Description)</b> | <b>Amount per annum (Rs.)</b> |
|----------------|--|--|-------------------------------|
| 1              | Brindavan Roller Flour Mills Pvt. Ltd. | Sales, Purchase                          | 7,50,00,000                   |
| 2              | Markasia Foods Pvt. Ltd.               | Sales, Purchase, Rent                    | 7,50,00,000                   |
| 3              | Brindavan Roller Flour Mills Pvt. Ltd. | Sales, Purchase                          | 7,50,00,000                   |
| 4              | Sri. B. Shantilal                      | Interest on loan paid                    | 7,50,00,000                   |
| 5              | Sri. Pramod Kumar S                    | Interest on loan paid                    | 7,50,00,000                   |
| 6              | Smt. Pinky Jain                        | Interest on loan paid                    | 7,50,00,000                   |

5. This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made thereunder, as may be in force for the time being as well as Regulation 23 of SEBI (LODR) or such other Rules / Regulations, as may be notified by SEBI from time to time.