SIYARAM
RECYCLING INDUSTRIES LTD.
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Policy on Materiality of Related Party Transactions

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

BACKGROUND

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements*)* *("Listing Regulations")* every listed entity shall formulate a Policy on materiality of Related Party Transactions and dealing with the related party transactions. So considering the requirements, the Company has enacted a Policy on Materiality of Related Party Transactions and dealing with the Related Party Transactions *("Policy")* in line with Listing Regulations and Companies Act, 2013.

OBJECTIVE

This policy has been framed to deal with various related party transactions which includes but not limited to material Related Party Transactions or Transaction which are not in the ordinary course of business or on an Arm's Length basis.

This policy aims to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders. This policy deals with identification of the Related Parties, materiality threshold for related party transactions and the manner of dealing with the transactions with Related Parties by the Company keeping in view the provisions of the Act and Listing Regulations

DEFINITIONS

"Materiality of Related Party Transactions" means a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year:

1. Exceeds Rupees Fifty Crore (₹50,00,00,000/-) or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower; OR
2. In case of transactions involving payments made to a related party with respect to brand usage or royalty, exceeds 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

'Related Party' will have the same meaning as defined under Section 2(76) of the Act or under the applicable Accounting Standards, as may be amended from time to time.

"Relative" in relation to the related party shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of The Companies (Specification of definition details) Rules, 2014

"Related Party Transaction" means a transaction involving a transfer of resources, services, or obligations between a company (or any of its subsidiaries) and a related party (of the company or any of its subsidiaries), or with any other person where the purpose and effect is to benefit a related party, regardless of whether a price is charged, and includes specific contracts or arrangements under Section 188(1) of the Companies Act, 2013, whether entered into as a single transaction or a series of transactions. Any other term not specifically defined hereinabove shall have the same meaning as defined under the Act, SEBI (Listing Obligations and Disclosure Requirement) Regulations, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

The Company has established a mechanism for identifying and periodically updating the list of Related Parties. Each Director and Key Managerial Personnel (KMP) is responsible for disclosing their concern, interest, or shareholding in any company, body corporate, firm, or association of individuals. Such disclosures shall be submitted to the Company upon appointment, at the first Board Meeting of every financial year, and promptly whenever there is any change in the disclosures previously submitted.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

The Company has established a mechanism for identifying and periodically updating the list of Related Parties. Each Director and Key Managerial Personnel (KMP) is responsible for disclosing their concern, interest, or shareholding in any company, body corporate, firm, or association of individuals. Such disclosures shall be submitted to the Company upon appointment, at the first Board Meeting of every financial year, and promptly whenever there is any change in the disclosures previously submitted.

Review and approval of Audit Committee:

In terms of Regulation 23 of Listing Regulations, prior approval of the Audit Committee is required for entering into Related Party Transactions and subsequent material modifications thereto. Only Independent Directors who are members of the Audit Committee shall vote on such approvals. Any member of the Committee who is in any way concerned or interested in any Related Party Transaction shall abstain from discussion and voting on such resolution.

However, the Audit Committee may grant omnibus approval for frequent, regular, or repetitive transactions with related parties which are in the normal or ordinary course of business of the Company. While granting such approval, the Audit Committee shall satisfy itself regarding the need for the omnibus approval and that the same is in the interest of the Company.

The omnibus approval shall specify the following:

a. Name of the related party

b. Nature and period of the transaction

c. Maximum amount/value of the transactions that can be entered into

d. Indicative base price / current contracted price and formula for variation in price, if any

e. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value, or material terms of the contract or arrangement have been varied or amended. Any proposed variations or material modifications to these factors shall require prior approval of the Committee.

Further, where the need for related party transactions cannot be foreseen and all prescribed details are not available, the Audit Committee may grant omnibus approval subject to a maximum limit of Rupees One Crore per transaction. The Audit Committee shall, on a quarterly basis, review and assess the transactions entered into pursuant to each omnibus approval granted to ensure compliance. The omnibus approval shall be valid for a period not exceeding one financial year and fresh approval shall be obtained after the expiry of one financial year.

Approval by the Board:

The Related Party Transactions as specified under sub-section (1) of Section 188 of the Act, which are not in the ordinary course of business or not on an arm's length basis, shall require the prior approval of the Board of Directors. Further, if the Audit Committee is of the view that a Related Party Transaction should be brought before the Board, or if the Board elects to review any such matter, or if it is specifically mandated under any other provision of the Act or Listing Regulations to be approved by the Board, the Board shall consider and approve such Related Party Transactions.

Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during the discussions and voting on the resolution relating to such contract or arrangement.

Approval of Shareholders:

a) All Material Related Party Transactions and subsequent material modifications thereto shall require prior approval of the shareholders through a resolution, and no Related Party shall vote to approve such resolution, regardless of whether the entity is a party to the particular transaction or not (for the purpose of Listing Regulations).

b) All Related Party Transactions specified under clauses (a) to (g) of sub-section (1) of Section 188 of the Act, which exceed the respective monetary limits prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014—other than transactions covered in clause (a) above and transactions entered into in the ordinary course of business and on an arm's length basis—shall require prior approval of the shareholders. No member of the Company who is a related party shall vote on such resolution to approve the transaction.

Related Party Transactions not previously approved:

If at any instance, the Company becomes aware of a Related Party Transaction that has not been approved prior to its consummation, the transaction shall be placed as promptly as practicable, and no later than three months from the date of the transaction (or at the next immediate meeting), before the Audit Committee, Board, or Shareholders, as applicable, for review and consideration.

The Audit Committee, Board, or Shareholders shall consider all relevant facts and circumstances in respect of such transaction and evaluate all options available to the Company, including but not limited to post-facto ratification, modification, or immediate termination of the transaction. The Company shall take such appropriate action as the Audit Committee or Board deems fit under the circumstances, provided that non-ratified transactions under Section 188 of the Act shall be voidable at the option of the Board or Shareholders in accordance with applicable provisions.

DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS

The Company shall make appropriate disclosures and reporting with respect to Related Party Transactions to the Stock Exchanges on a half-yearly basis in the format specified by SEBI, as well as in the Annual Report, Board's Report (Form AOC-2), and Financial Statements, as per the applicable provisions of the Act and Listing Regulations.

The Company shall also maintain necessary statutory registers (including under Section 189 of the Act) for recording particulars of all such contracts, arrangements, and transactions with related parties, in the manner and form prescribed under the relevant provisions of the Act and Rules made thereunder.

AMENDMENT

Any change or modification in this Policy shall be approved by the Board of Directors of the Company. The Board shall review and update the Policy at least once every three years, or as and when required due to statutory updates. The Board reserves the right to amend, alter, or withdraw any part of this Policy or the entire Policy at any time as it deems fit, and the decision of the Board in this respect shall be final and binding.

In the event of any conflict, inconsistency, or discrepancy between the provisions of this Policy and the provisions of the Companies Act, 2013, the rules framed thereunder, or the Listing Regulations (“Statutory Provisions”), the Statutory Provisions shall automatically prevail over this Policy.

DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. https://www.siyaramindustries.co.in

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Effective Date: 24/08/2023
Date of Board Approval / Amendment: 18/10/2025