POLICY ON RELATED PARTY TRANSACTIONS OF

PESHWA WHEAT LIMITED

(Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

308 THE ONE, A BLOCK RNT MARG
NEAR SILVER MALL, INDORE – 452001
info@peshwawheat.com
+91 73142 37252

PURPOSE

The Policy inter-alia encompasses process for identification of Related Parties, procedure for entering Related Party Transactions, approvals at various levels, criteria for granting omnibus approval by the Audit Committee, defining material modifications, disclosures and reporting obligations, etc.

DEFINITIONS

- "Arm's length transaction" means a transaction between two Related Parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- "Management" includes Key Managerial Personnel and employees up to one level below the Global Chief Financial Officer.
- "Material Modification" means a change of more than 10% in approved price, pricing formula or value of the Related Party Transaction.
- "Material Related Party Transaction" means a transaction with a Related Party which is defined as 'material' under Regulation 23 of the SEBI LODR.
- "Ordinary Course of Business" shall include those transactions that satisfy any of the following criteria:
    1. Carried out in the normal course of business of the Company and can be reasonably, envisaged to be pursuant to, or incidental to the objects specified in the Memorandum of Association of the Company (as amended from time to time), or it is required to undertaken to conduct the routine or usual transactions of the Company or has any connection with the normal business of the Company; or Transactions which are incidental, ancillary or routinely effectuated in relation to business of the company, or part of standard industry practice, but for which, the business of the Company would be adversely affected.

- "Ratification" means post facto approval of (i) a Related Party Transaction or (ii) subsequent Material Modification in the terms of Related Party Transactions already approved by the Audit Committee or the Board of Directors or any other authority of the Company. A transaction once ratified by the competent authority will be treated as approved from the inception of the transaction.
- "Related Party" means a person or an entity defined as related party under the Act or SEBI LODR.
- "Related Party Transaction or RPT" means a transaction defined as a related party transaction under the Act or SEBI LODR.
- "Relative" is any person as defined under Section 2(77) of the Act and rules prescribed thereunder.

IDENTIFICATION OF RELATED PARTIES AND THE RELATED PARTY TRANSACTIONS

Every director and key managerial personnel (KMP) of the Company and its subsidiaries shall,

a) at the time of appointment;

b) annually; and

c) whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such director or KMP is interested, whether directly or indirectly, to the Company Secretary of the Company or the subsidiary (as the case may be). Every such director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

APPROVAL OF THE RELATED PARTY TRANSACTIONS

Approval of the Audit Committee

- Unless otherwise exempted under the Applicable Laws and subject to the provisions of this Policy, all RPTs and any Material Modification to the RPTs already approved by the Audit Committee, shall require prior approval of the Audit Committee.
- RPTs to which a subsidiary of the Company is a party, but the Company is not a party ('Other RPTs'), shall require prior approval of Audit Committee of the Company, if the value of the RPT (whether entered into individually or taken together with previous transactions, during a financial year) exceeds the statutory limits prescribed in the SEBI LODR.
- The Audit Committee may grant omnibus approval for the RPTs, which are routine and repetitive in nature and which satisfy the criteria for omnibus approvals, as prescribed under the Act or the SEBI LODR.
- Where the need for the RPTs cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- Such omnibus approval shall be based on the criteria specified in clause 6.1 of this Policy.
- Omnibus approval shall be valid for a period, not exceeding one year and shall require fresh approval, before the expiry of the approval period.
- Only Independent Directors, who are members of the Audit Committee shall approve the RPTs. In case such Independent Director is interested in any potential RPT, then he/she shall abstain from voting when such RPT is being considered.
- The Audit Committee at its discretion may submit any RPT for additional approval of the Board of Directors.
- The remuneration (including grant of ESOPs and ESARs) and sitting fees paid by the Company and/ or its subsidiary to its director, KMP or Senior Management, except who is part of the promoter or promoter group, shall not require prior approval of the

Audit Committee provided the same is not a Material Related Party Transactions under the SEBI LODR.

- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs, on an annual basis.

APPROVAL OF THE BOARD OF DIRECTORS

The following RPTs shall require additional, prior approval of Board of Directors:

- All transactions between the Company and its Related Parties which are not in the Ordinary Course of Business, or not proposed to be executed as an Arm's length transaction.
- Transactions which in the opinion of the Audit Committee, need special consideration / determination by the Board.
- Where it is mandatory under any law for Board to approve such transactions, or where the Board, suo-moto chooses to review such RPTs.
- RPTs in which the promoters, promoter group, directors, or KMPs of the Company are concerned or interested.
- Where any director is concerned or interested in any potential RPT, such director shall abstain from discussion and voting when such RPT is being considered.

APPROVAL OF THE SHAREHOLDERS OF THE COMPANY

The following RPTs and subsequent Material Modifications thereto, shall be subject to prior approval of shareholders of the Company, by way of a resolution:

- All Material Related Party Transactions; and
- RPTs which require approval of the shareholders, as per Applicable Laws.
- No Related Party shall vote to approve such a resolution, irrespective of whether the entity is a Related Party to the particular transaction or not.

- The Audit Committee and the Board shall approve and recommend all Material Related Party Transactions and subsequent Material Modifications, before submitting the same for approval of the shareholders of the Company.
- The validity of omnibus approval granted by the shareholders for material Related Party Transactions shall be in accordance with the SEBI LODR.

PROCEDURE AND CRITERIA FOR APPROVING RELATED PARTY TRANSACTION

- The criteria for granting omnibus approval for the RPTs is as follows:
- The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year shall not exceed 60% of annual consolidated turnover of the Company (as per the last audited financial statement);
- The maximum value per transaction which can be allowed for RPTs under omnibus route, shall not exceed 10% of the annual consolidated turnover;
- Any transaction with directors, KMPs, promoters, promoter group of the Company, shall require additional approval of the Board;
- While assessing any proposal, the Audit Committee may review the documents / seek information from Management of the Company, or seek clarification or external opinion;
- The transactions undertaken pursuant to omnibus approval, shall be reviewed by the Audit Committee on quarterly basis;
- The following transactions will not be eligible for the omnibus approval and shall be approved by the Approving Authority, on case to case basis:

I. Transactions which are not repetitive in nature;

II. Transactions involving sale or disposal of an undertaking of the Company;

III. Transactions involving sale or disposal or assignment of any significant or critical asset of the Company;

For the purpose of procuring approval of the Audit Committee or the Board or the Shareholders (as the case may be), the Management shall submit a proposal for approval of the RPTs, containing the information as prescribed under the Act, SEBI LODR, applicable Industry Standards and such other guidelines, circulars or directions issued by SEBI, MCA or any other competent authority, from time to time.

AMENDMENT

The policy is a public document and shall be uploaded on the website of the Company. The Board and/or audit committee shall have the power to amend the policy or replace the policy entirely with a new policy. However, the Company Secretary and Chief Financial Officer are jointly authorized provide clarifications or to amend the Policy to give effect to any changes / amendments notified by the Securities Exchange Board of India. Consequently, the policy shall be placed before the Board for their noting and ratification.