

Satia Industries Limited

Policy on related party transactions

As required under Clause Clause 49 VII C of the Listing Agreement with the Stock Exchange and under the Companies Act, .

Satia Industries Ltd has framed this policy on related party transaction. This policy has been adopted by the Board of Directors of the Company based on recommendation of the Audit Committee, going forward the Audit Committee would review and amend the policy as and when required subject to the approval of the Board.

Objective of this policy

1. Introduction

The Board of Directors (the 'Board') of Satia Industries 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 aimed at to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company and also provides for materiality of Related Party Transactions.

2. Purpose

This policy is framed based on Listing Agreement and requirement under Section 188 of the Companies Act, 2013 and primarily intended to ensure the governance and reporting of transactions between the Company and its Related Party.

3. Definitions

'Audit Committee or Committee' shall mean 'Audit Committee of Directors' constituted by the Board of Directors under provisions of Listing Agreement.'

Board of Directors or Board' shall mean the Board of Directors of Satia Industries Limited as constituted from time to time.

'Key Management Personnel or Key Managerial Personnel' means Key Managerial Personnel as defined under the Companies Act' 2013 and the Rules framed there under.

'Policy' means Related Party Transaction Policy.

'Related Party' shall mean any person or entity related to the Company as defined under Section 2(76) of the Companies Act' 2013 or under applicable Accounting Standards.

'Related Party Transaction' shall mean any transfer of resources, services or obligations between a company and a related party, regardless of whether a price Satia Industries Limited is charged. 'Transaction' with related party shall be construed to include single transaction or a group of transactions in a contract.'

Material Related Party Transaction' shall mean related party transaction/transactions entered individually or taken together with previous transactions during a financial year, which exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

4. Policy

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this policy. However the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company.

4.1 Identification of Potential Related Party Transaction

Each Director and Key Management Personnel is responsible for providing Notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative (as defined under Section 2(77) of the Companies Act, 2013 including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transactions does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Company shall prefer to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee gets adequate time to obtain and review information about the proposed transaction.

4.2 Review and Approval of Related Party Transactions

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether in a meeting or by means of resolutions passed in circulation. Any member of the Committee who has a potential interest in the Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction. However, for providing omnibus approval Audit Committee shall satisfy itself the need for such omnibus approval and such approval is in the interest of the Company. Provided where the Related Party Transactions cannot be foreseen and details are not available Audit Committee may grant omnibus approval for such transaction subject to their value not exceeding Rs. 1 cr. per transaction. Audit Committee shall review at least on a quarterly basis, the details of the Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

All "Material Related Party Transactions" shall require prior approval of the shareholders through special resolution and the Related Parties shall abstain voting on such resolution.

4.3 Decision regarding transaction in ordinary course of business and on arms length basis

The Audit Committee or the Board shall in respect of the Related Party Transaction referred to them for approval shall after considering the materials placed before them shall judge whether transaction will be entered in the ordinary course of business or at arm's length basis. In case Audit Committee can't arrive at a decision it will be referred to Board whose decision will be final in this regard.

4.4 Material Related Party Transaction

The Audit Committee shall review all transactions with Related Parties and refer to the Board of all Material Related Party Transactions for approval of the shareholders.

5. Related Party Transactions not approved under the Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved under this policy the matter shall be reviewed by the Committee. The Committee shall evaluate options available to the Company including ratification, revision or termination of the transaction and shall take any such action as deems appropriate.

6. Amendment

The Audit Committee shall have the full authority to modify or waive any procedural requirements of this Policy subject to the guidelines issued by Securities and Exchange Board of India from time to time.

7. Communication

This policy will be communicated to all operation heads and other concerned persons of the Company and shall be placed on the website of the Company at www.satiagroup.com .