

POLICY ON RELATED PARTY TRANSACTIONS

The Board of Directors (the "Board") of Simbhaoli Sugars Limited (hereinafter referred as 'SSL' or the 'Company') has adopted this Policy upon the recommendation of the Audit Committee of the Board as the Related Party Transactions Policy (hereinafter referred as "Policy") under the provisions of Section 188 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges.

This Policy shall applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions as defined in this policy. The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

This Policy is intended to provide guidance to the Board of Directors and Key Management Personnel to manage the affairs of the Company in an ethical manner. The purpose of this Policy is to recognize and provide mechanisms to report related parties transactions and to develop a culture of transparency in the system.

This Policy shall come into force with effect from the date of uploading on the website of the Company at www.simbhaolisugars.com. The provisions of this Policy can be amended/modified by the Board of Directors of the Company from time to time and all such amendments/modifications shall take effect from the date stated therein.

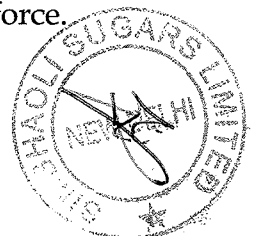
1. Definitions & Interpretation

In this Policy, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

"Act" means the Companies Act, 2013 and rules made thereunder as amended from time to time.

"Audit Committee" means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges.

"Board" means the Board of Directors of the Company for the time being in force.



“Company” shall mean Simbhaoli Sugars Limited having its registered office situated at Simbhaoli - 245207, Distt- Hapur.

“Key Managerial Personnel” means Key Managerial Personnel as defined under the provisions of the Companies Act, 2013.

“Related Party” means related party as defined under the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

“Related Party Transactions” means any transactions between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes -

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company; and
- h. Any other transaction which is considered as such by the Audit Committee.

The “Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits as may be prescribed either in Act read with the Listing Agreement, as may be applicable, from time to time.

It is being clarified that presently the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

“Relative” means a relative as defined under the provisions of the Act and includes anyone who is related in any of the following manner -



- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son's wife;
- g. Daughter;
- h. Daughter's husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).

"Transaction" with a related party shall be construed to include a single transaction or a group of transactions over and above the limit as prescribed in this policy.

The terms Directors and key managerial personnel's shall have the same meaning as defined under the provisions of the Act.

2. Policy

The Audit Committee shall review all the Related Party Transactions in accordance with this Policy. In case of frequent/regular/repetitive transactions, which are in the normal course of business of the Company, the Committee may grant standing pre-approval/omnibus approval, as may be decided by the Board of Directors of the Company from time to time.

3. Disclosure of related party transactions

Every Director and Key Managerial Personnel will providing a declaration to the Company Secretary of the Company in the format as may be prescribed as annexed as Annexure I containing the information of his/her interest in the other entities on an annual basis. Every Director and the Key Managerial Personnel of the Company will personally update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and/or controls immediately on him /her becoming aware of such changes.

The Company Secretary shall maintain an updated database of information pertaining to Related Parties reflecting details of every Director, Key Managerial Personnel, Functional/Business heads and other senior employees of the Company above the



grade of Deputy General Manager or any other grade as may be specified by the Board from time to time.

The Director or Key Managerial Person will be personally responsible for providing prior notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Company Secretary may request, for being placed before the meetings of the Committee and the Board.

The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transactions to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the Company Secretary will take it up for necessary approvals under this Policy.

4. Review Procedure

- a) All Related Party Transactions shall be placed before the Audit Committee or may also be passed through resolution by circulation or through electronic mode in compliance with the requirements as prescribed under the provisions of the Act. A member of the Committee who has a potential interest in any Related Party Transaction will not remain present at the meeting and shall be abstain from discussion and voting on such Related Party Transaction. He shall also not be counted in determining the presence of a quorum when such Transaction is considered.
- b) While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.
- c) The Committee shall, also consider various factors to the extent relevant to the transaction that the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis and the business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- d) The Committee shall also consider that Related Party Transactions includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; it would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of Related Party in



- the transaction and the ongoing nature of any proposed relationship and any other factors as the Committee deems relevant.
- e) While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party.
 - f) The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies/short term commercial decisions to improve/sustain market share, changing market dynamics, local competitive scenario, economic/ regulatory conditions affecting the global/domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.
 - g) If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
 - h) In the case of frequent/regular/repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval/omnibus approval. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company.

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 / amended substantially. Any proposed variations/amendments to these factors shall require an approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs. 1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.



- i) In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or the Audit Committee, or the Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

5. Approval of material transactions

- a) All Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.
- b) All Related Party Transactions in excess of the limits prescribed under the provisions of the Act which are not in the Ordinary Course of Business or not at Arms' Length shall also require the prior approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.
- c) The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.


6. Disclosure and reporting


Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the provisions of the Companies Act, 2013.

This policy has been issued under the authority of the Board of Directors of Simbhaoli Sugars Limited and shall remain in force unless Board resolve otherwise or issue a cancellation or modification thereof.

Date: Nov 14, 2014

Place New Delhi


Chairman



ANNEXURE 1

NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,
 Chairman/Company Secretary
 Simbhaoli Sugars Limited
 C-11, Connught Place, New Delhi

Dear Sir,

I,, son/daughter/spouse of, resident of, holding Shares (equity or preference) of Rs. 10/- each (..... percent of the paid-up Capital) in the Company in my name, being a in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

| Sl No. | Names of the Companies /bodies corporate/firms/associations of individuals | Nature of interest or concern/Change in interest or concern | Shareholding | Date on which interest or concern arose/changed |
|--------|--|---|--------------|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |

In addition to above, I am also a member of following Committees of the Board of the following Public Limited Companies:

| NAME OF THE COMPANY | NAME OF THE COMMITTEE | POSITION |
|---------------------|-----------------------|----------|
| | | |
| | | |

Place: New Delhi
 Date: _____

(NAME _____)
 (DIN- _____)



LIST OF RELATIVES
PURSUANT TO SECTION 2(77) and Rule 4 of Companies (Specification of definitions details) Rules, 2014

| S. N. | Relationship | Name(s) and Address | Shareholding in Simbhaoli Sugars Limited |
|-------|--------------------------------------|---------------------|--|
| 1. | Karta of H.U.F. | | |
| 2. | Spouse | | |
| 3. | Father (includes step - father) | | |
| 4. | Mother (includes step - mother) | | |
| 5. | Son (includes step - son) | | |
| 6. | Son's wife | | |
| 7. | Daughter | | |
| 8. | Daughter's husband | | |
| 9. | Brother (includes step - brother) | | |
| 10. | Sister (includes step - sister) | | |

Place: New Delhi

(NAME _____)

Date: _____

(DIN- _____)

