

**SYNTHIKO FOILS LIMITED**  
**RELATED PARTY TRANSACTIONS POLICY**

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## 1. PREAMBLE

The Board of Directors (the “**Board**”) of Synthiko Foils Limited (the “**Company**”), has adopted this policy on Related Party Transactions which includes the materiality threshold and the manner of dealing with Related Party Transactions (this “**Policy**”), upon the recommendation of the Audit Committee of the Company, in compliance with the requirements of Section 188 of the Companies Act, 2013, rules made thereunder, Regulation 23 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (the “**SEBI LODR**”), and other rules and regulations as may be applicable. Amendments, from time to time, to this Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee. This Policy shall be duly approved by the Board and shall be reviewed by the Board at least once every three years and updated accordingly.

This policy is to regulate transactions between the Company and its subsidiaries on one hand and one or more of its Related Parties on the other hand based on the laws and regulations applicable on the Company. It further provides a framework for governance and reporting of Related Party Transactions including material transactions.

## 2. OBJECTIVE AND PURPOSE

The Objective of this Policy is to ensure that all Related Party Transactions (“RPT”) entered into by the Company and its Subsidiaries are reviewed and approved by the Audit Committee (“the Committee”) and, wherever applicable, by the Shareholders, in line with the requirements as prescribed under Companies Act, 2013 (“Act”) and Rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI LODR”) and amendments thereof.

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“SEBI LODR”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Subsidiaries with Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

## 3. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Listing Regulations**” or “**SEBI LODR**” shall mean Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company under provisions of SEBI LODR and Act as amended from time to time.

“**Associate Company**” associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

**Explanation:** For the purposes of this clause

(a) the expression “significant influence” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;

(b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Control**” shall have the same meaning as defined in Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Material Related Party Transaction**” in terms of SEBI LODR means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year, if exceeds the following thresholds:

Consolidated Turnover of Listed Entity Threshold	Threshold
I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

**Explanation:** For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“**Material Modification**” means any modification(s) in the pricing, quantity or overall transaction value having a variance of 10% (ten percent) or more, in the relevant existing Limits previously approved related party transaction.

*Further the change in nature of the transaction shall also be covered under the material modifications.*

“**Policy**” means Related Party Transaction Policy.

“**Related Party**” means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder or under the applicable accounting standards:

The following shall also be treated as the Related Party –

(a) all persons or entities forming part of promoter or promoter group irrespective of their shareholding;

(b) any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year to the extent of 10% or more

**“Related Party Transaction” or “transaction” or (“RPT”)** As defined under under Regulation 2(zc) of SEBI LODR.

**“Relative”** shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act, 2013 and the Rules thereunder and the SEBI LODR, as amended from time to time. In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

#### **4. POLICY AND PROCEDURE**

**Policy:** The Audit Committee shall review and approve all Related Party Transactions to which the Company is a party, or to which its subsidiary (where applicable under the SEBI LODR or the Act) is a party, in accordance with this Policy.

##### **Procedures:**

##### **A. Identification of Related Party**

- a. The Company shall identify Related Parties (including those of its subsidiaries), as per requirement of Act and SEBI LODR and keep the related party list updated from time to time;
- b. Every director, key managerial personnel (KMPs) and promoters shall at the beginning of the financial year provide information by way of written notice to the Company regarding their concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per Act and SEBI LODR. Directors, KMPs and promoters are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party, as per Act and SEBI LODR. Every director, KMP and promoter shall also be required to immediately intimate (within not more than 7 days) or at the first Board Meeting of the Company after the change to the Company Secretary, any change (addition or deletion) to previously provided disclosure of concern or interest in any entity or list of relatives.

##### **B. Identification of Related Party Transactions**

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in Act and the rules thereunder and SEBI LODR, as amended from time to time.

##### **C. Review and approval of Related Party Transaction**

###### **» Audit Committee**

- Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.

- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in Act and SEBI LODR, as amended from time to time
- Members of the Audit Committee, who are independent directors, shall only approve related party transactions.

The Company shall, while placing any proposed Related Party Transaction before the Committee for review and approval, provide the information in the format specified by the SEBI Circular and such other information as may be called for by the Audit Committee

The omnibus approval shall be valid for a period of one year from the date of approval.

Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

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

- **Prior approval of the Audit committee shall be required for:**

- a. All Related Party Transactions and subsequent Material Modifications;
- b. A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction, exceeds the lower of the following:
  - (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
  - (ii) the threshold for Material Related Party Transaction.
- c. In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, if the value of such transaction exceeds the lower of the following:
  - i ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
  - ii the threshold for Material Related Party Transactions of the Company.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

Notwithstanding anything to the contrary in this Policy, the members of the Audit Committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ii) the transaction is not material in terms of the provisions of Regulation 23(1) of SEBI LODR;
- iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the Regulation 23(9) of SEBI LODR;
- v) any other condition as specified by the Audit Committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a party related to any director, key managerial personnel and promoters, or is authorised by any other director, key managerial personnel and promoters, the concerned director, key managerial personnel and promoters shall indemnify the Company against any loss incurred by it.

- If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.
- The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.
- Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.
- To review proposed RPTs placed before the Committee for approval along with the information in the format specified by the SEBI Circular.
- The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

#### » **Approval of the Board and the Shareholders**

- All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price or at Arms Length basis shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price or at Arms Length basis and are exceeding threshold limits prescribed in the Act and SEBI LODR shall also require prior approval of shareholders of the

Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.]

Further, the information as prescribed under the Act, and/or the SEBI (LODR) 2015, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

▪ All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board, audit committee and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI (LODR) 2015 are applicable to such listed subsidiary.

Provided that the aforesaid requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Provided that the Material Related Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

Provided that the provisions pertaining to –

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of shareholders for Material Related Party Transactions and subsequent Material Modifications.

shall not be applicable when the transactions are entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

## **5. TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL**

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following:

- (a) Transactions exempted under Regulation 23 of the SEBI LODR; and
- (b) Transactions exempted under Regulation 2(zc) of the SEBI LODR
- (c) Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year to which listed entity is not a party but the subsidiary of the listed entity is the party do not exceed rupees one crore.

## **6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate

the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

## **7. DISCLOSURES**

- Every Related Party Transaction with proper justification shall be disclosed in the Directors Report. [Material RPTs shall be provided in the notice to shareholders].
- Details of all material transactions with related parties shall be disclosed quarterly.
- The Company shall submit enhanced disclosure of information related to RPTs to be provided to the stock exchanges every six months in the format specified by the SEBI simultaneously with the financials and also publish the same on its website.
- The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report. This Policy will be communicated to all operational employees and other concerned persons of the Company.
- The Company shall keep and maintain a register either physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of Directors

## **8. POLICY REVIEW**

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI (LODR), 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations (“the Regulations”) which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that this policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

*This Policy is lastly amended as per the recommendations of the Audit Committee in meeting held on February 14, 2026 and approved by the Board of Directors at its meeting held on February 14, 2026.*

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