



SANDHAR TECHNOLOGIES LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

Effective from 11th February, 2026

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PREAMBLE:

The Board of Directors (the “Board”) of Sandhar Technologies Limited (the “Company”) recognizes the importance of stakeholders’ interest and their trust in the Company. To uphold this confidence, the Board has adopted a policy for determining materiality of and dealing with related party transactions (the “Policy”).

OBJECTIVE:

This Policy is framed keeping in view of the best interests of its stakeholders and the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and also the Companies Act, 2013 (**the “Act”**), as amended from time to time and is intended to ensure the proper identification, approval, disclosure and reporting of related party transactions along with materiality of such transactions.

The objective of this Policy is to set out:

- a) the materiality thresholds for related party transactions;
- b) the manner of dealing with the related party transactions based on the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company;
- c) the guiding principles and mechanism to ensure proper approval, disclosure and reporting of related party transactions as applicable, in the best interest of the Company and its stakeholders.
- d) seek necessary approvals of the Audit Committee / Board / Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner.

DEFINITIONS

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

“**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. For determination of Arm’s Length basis, guidance may be taken from the provisions of Transfer Pricing under the Income Tax Act, 1961.

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

“**Applicable Law(s)**” includes (a) the Act and the rules made thereunder; (b) SEBI Listing Regulations, any other statute, law, standards, regulations or other governmental instruction, as may be applicable to the Company, and amendments made thereto.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and

Takeovers) Regulations, 2011.

“Material Related Party Transaction or Materiality Thresholds” in terms of SEBI Listing Regulations means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

- (i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- (ii) In case of any other transaction(s), exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations.

“Material Modification” of related party transaction will mean and include any modification to an existing approved related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

“Officer(s)” shall mean the Chief Financial Officer or Company Secretary of the Company and such other personnel as designated by the Audit Committee or the Board from time to time.

“Policy” means this policy for determining materiality of and dealing with related party transactions.

“Related Party” shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

- a. **“Related Party Transaction”** have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, .

“Key Managerial Personnel” or “KMP” shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Act each as amended from time to time and includes any person so authorized and designated by the Board of the Company as KMP.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction” as notified by SEBI vide its circular dated June 26, 2025, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation, each as amended from time to time.

POLICY AND PROCEDURE:

- ***Policy***

All Related Party Transactions covered above, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

- **Procedures**

- I. Identification of Related Party Transactions**

1. Every Director and Key Managerial Personnel shall at the beginning of the financial year provide information by way of written notice to the Company regarding his 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 this policy. Directors are also required to provide information regarding their engagement with other entity during the financial year which may be regarded as Related Party according to this policy.
2. The subsidiary(ies) of the Company shall provide list of its Related Party and Related Party Transactions on quarterly basis and update the same, in case of any change, intimate the same.
3. The subsidiary(ies) of the Company will ensure that their notice of any potential Related Party Transaction is delivered well in advance to the Company so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.
4. The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel as well as based on the list of Related Parties of the subsidiary companies, in the manner prescribed in the Act and the rules made thereunder and SEBI Listing Regulations as amended from time to time.
5. Additionally, at the end of every financial year, a list of shareholders who at any time during the immediately preceding financial year have held prescribed percentage of shareholding as provided under SEBI Listing Regulations, will be prepared for the purpose of identification of Related Party.
6. Prior to entering into any transaction with Related Party, the Officers of the Company and its subsidiary company(ies) (if any) shall analyze such transaction in consultation with management and with outside counsel, if required, to determine whether the transaction or relationship does, in fact, constitute a Related Party Transactions, requiring compliance with this Policy.
7. Once identified as a Related Party Transactions by the Officer, all such Related Party Transactions shall be reported to the Audit Committee by the Officer, or in the event that the Officer has an interest in the Related Party Transaction, the transaction shall be reported to the Audit Committee by the Managing Director of the Company.

II. MANNER OF DEALING WITH AND APPROVAL OF RELATED PARTY TRANSACTION(S):

A. Approval of Related Party Transaction by Audit Committee.

1. All Related Party Transactions and subsequent modifications shall require prior approval of the Audit Committee of the Company.

Provided that only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

Provided further that:

- (a) 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, shall require prior approval of the Audit Committee of the Company 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 Transactions of Company as specified in Schedule XII of SEBI Listing Regulations.

- (b) 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, prior approval of the Audit Committee of the Company shall be obtained 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 Company as specified in Schedule XII of SEBI Listing Regulations:

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.

- (d) prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of regulation 15 of SEBI Listing Regulations are applicable to such listed subsidiary.

Explanation: For Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

- (e) remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of SEBI Listing Regulations and as per this Policy.

- (f) 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 Listing Regulation.

(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 provisions of Listing Regulation;

(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 related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

The Audit Committee, at the time of approving the Related Party Transactions, shall take into consideration a certificate placed before it by the Chief Executive Officer (CEO)/Managing Director/ Whole-Time Director/ Manager and Chief Financial Officer (CFO) of the Company, confirming that the terms of the proposed Related Party Transactions are in the interest of the Company. This certificate shall be placed before the Committee in terms of the Industry Standards.

2. The Audit Committee shall review the Minimum information placed before it as prescribed under the Act and SEBI Listing Regulations r/w Industry Standards or any other circulars issued thereunder and amended from time to time, for approval of a proposed Related Party Transaction.
3. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
 - i. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company.
 - ii. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
 - iii. Whether the nature of the proposed transaction is something that the Company would have ordinarily done in the course of its business;
 - iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - v. Whether the Related Party Transaction would affect the independence of the Directors/ KMP;
 - vi. Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law; and
 - vii. Any other factor the Committee deems relevant for reviewing and approving such Related Party Transaction.

B. Omnibus Approval For Related Party Transactions

Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary in accordance with this Policy. Such approval shall be applicable only to transactions of a repetitive nature and shall be subject to the conditions prescribed under Regulation 23(3) of the SEBI Listing Regulations, as amended from time to time, and other applicable provisions of the Act and rules made thereunder.

1. The Audit Committee shall grant omnibus approval as per following criteria:
 - i. the Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
 - ii. The proposal for omnibus approval shall provide:
 - a. the name/s of the Related Party, nature of transaction, period of transaction;
 - b. maximum amount of transaction that can be entered into;
 - c. basis for arriving at the contracted price as per the Company's standard operating procedure;
 - d. Specific reason for entering into contract with the Related Party (e.g. proximity to the plant, preference of the OEM, quality of service/ product delivered);
 - e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction
 - f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the company or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
 - g. Any other information relevant or important for the Audit Committee to take decision.
 - h. Such other information or factors as may be required under the Act and/or SEBI Listing Regulations and/ or other law, circulars, regulations, notes as may be applicable to the Company.

However, in case of Related Party Transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed INR 1 crore per transaction.

2. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.
3. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
4. Omnibus approval shall not be granted in respect of selling, buying, leasing and disposing of the undertaking of the Company.

5. Any member of the 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.
6. To review a Related Party Transaction, the Committee shall be provided with the necessary information as prescribed under the Act and/or the SEBI Listing Regulations r/w Industry Standards and/ or other law, circulars, regulations as may be applicable to the Company, from time to time, to the extent relevant, with respect to actual or potential Related Party Transactions.
7. The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.

C. Approval Of Related Party Transaction By Board

The Board shall consider and approve the Related Party Transaction as required to be approved under the Act or rules made thereunder and/or SEBI Listing Regulations and/or transactions referred to it by the Audit Committee including the following:

1. As per the provisions of Section 188 of the Act all Related Party Transactions specified under the said Section and which are not in the ordinary course of business or are not at arm's length.
2. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
3. All material Related Party Transactions and Material Modifications thereto, shall require approval of the Board, before the same is / are recommended for approval of the shareholders of the Company.
4. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.

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.

D. Approval of Related Party Transaction by Shareholders

1. All material Related Party Transactions and Subsequent Material Modifications thereto shall require prior approval of shareholders through resolution, as prescribed in SEBI Listing Regulations and the Related Parties shall abstain from voting in favour of such resolution, irrespective of whether the Related Party is party to the particular transaction or not.
2. In addition to the above, transactions with Related Party(ies) as mentioned in the table below, which are not in the ordinary course of business and/or are not at arm's length and meets the below specified threshold, shall require approval of shareholders by way of a resolution.

Sr. no.	Details of transactions to be entered individually or taken together during a financial year	Minimum threshold requiring Approval Shareholders
A.	Sale, purchase or supply of any goods or material directly or through appointment of agent.	Amounting to ten percent or more of the turnover of the Company

B.	Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agent.	Amounting to ten percent or more of net worth of the Company
C.	Leasing of property of any kind.	Amounting to ten percent or more of the turnover of the Company
D.	Availing or rendering of any services directly or through appointment of agent.	Amounting to ten percent or more of the turnover of the Company
E.	Appointment to any office or place of profit in the company, its subsidiary companies or associate companies at a monthly remuneration.	Remuneration exceeding Rs. 2.5 Lakh per month
F.	Remuneration for underwriting the subscription of any security or derivatives thereof of the Company.	Remuneration exceeding one percent of the net worth

3. The turnover or net worth shall be on the basis of the Company's audited financial statements for the preceding financial year.
4. For Related Party Transactions specified under para 2 above, any shareholder of the Company, who/which is a Related Party in the context of the proposed Related Party Transaction, shall abstain from voting.
5. The omnibus approval granted by the shareholders for Material Related Party Transactions in an Annual General Meeting (AGM) shall be valid till the date of the next AGM held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time. In case of omnibus approvals for Material Related Party Transactions, granted by shareholders in general meetings other than AGM, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

E. Exceptions:

Approval of the Audit Committee / Board / shareholders of the Company, as mentioned in (A), (B), (C) and / or (D) above shall not be required for transactions entered into between:

- a. the Company and its wholly owned subsidiary(ies); or
- b. two wholly owned subsidiaries of the Company;

where accounts of such wholly owned subsidiary(ies) are consolidated with that of the Company and placed before the shareholders at the general meeting for approval.

F. Related Party Transactions Not Approved Under This Policy:

The members of the Audit Committee, who are independent directors, may ratify the Related Party Transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the SEBI Listing Regulations.

The failure to seek ratification of the audit committee shall render Related Party Transactions voidable at the option of the audit committee and if the transaction is with a Related Party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

In any case, where the Audit Committee determines not to ratify a Related Party Transactions that has been commenced without approval, the Audit Committee, as appropriate, may recommend the same for approval of Board and/ or direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the Company etc.

If any Related Party Transaction is entered without obtaining the consent of the Board or Shareholders, as the case may be, the same is required to be ratified by the Board or the shareholders, as the case may be, within three months from the date on which such transaction was entered into. The Board shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to it under this Policy and shall take any such action it deems appropriate.

If the Related Party Transaction is not ratified by Board or Shareholders as mentioned above, such transaction shall be voidable at the option of the Board or Shareholders, as the case may be, and if the Related Party Transaction is with a party related to any Director or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it and the matter shall be dealt with in accordance with the relevant provisions of the Act and Rules and SEBI Listing Regulations.

Related Party Transaction entered into without approval shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the Transaction is brought to the notice of the Audit Committee / Board / shareholders, as the case may be, as promptly as reasonably practical after it is entered into and is ratified as per this Policy.

The Board / Audit Committee/ shareholders, as the case may be, shall consider all relevant facts and circumstances respecting such Transaction including but not limited to, the reason for not obtaining the prior approval of the Committee/ Board/ Shareholders, as the case may be, relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law 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/ Board/ shareholders, as the case may be, deem appropriate under the circumstances.

III. DISCLOSURES

- The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with Related Parties, which are not in ordinary course of business and/or not at arm's length basis along with the justification for entering into such transaction.
- The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Act as well as any additional information specified by circulars issued thereunder and other statutes, from time to time as may be applicable, for review of the Audit Committee while seeking prior approval of the Related Party Transactions.
- The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Act as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed **Related Party Transactions** as applicable.
- The Company shall provide disclosure of the Related Party Transactions, including the ratified transactions to stock exchanges where the Company's securities are listed, in the format as

specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.

- This Policy is disclosed on the website of the Company at [\[https://sandhargroup.com/investors/disclosures-under-regulation-46-of-the-lodr\]](https://sandhargroup.com/investors/disclosures-under-regulation-46-of-the-lodr), and a web link thereto shall be provided in the Annual Report.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

IV. AMENDMENTS & POLICY REVIEWS

This policy is framed based on the provisions of the Act, and rules thereunder and the requirements of the SEBI Listing Regulations.

In case of any subsequent changes in the provisions of the Act and SEBI Listing Regulations 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. Provided that this policy shall be reviewed by the Board at least once every three years and updated accordingly.

This Policy is last amended with the approval of Board of Directors on 12th February, 2025.
