



PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200

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ISO
9001/14001
CERTIFIED

PEL/ SH/ 45

March 26, 2022

National Stock Exchange of India Ltd
Exchange Plaza
5th Floor, Flat No.C/ 1 G Block
Bandra-Kurla Complex
Bandra East,
Mumbai 400 051

BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Scrip code: PONNIERODE

Scrip code: 532460

Dear Sirs,

Reg: Review of Policies

The Board of Directors at their meeting held on Friday, the 25th March 2022 reviewed following policies and approved same on the recommendation of the Audit Committee.

- a) Policy on Related Party Transactions (Reg.30 of LODR); and
- b) Code of Conduct and Principles of Fair Disclosure under SEBI (Prohibition of Insider Trading) Regulations, 2015 (Reg.8 & 9 of PIT).

As required under SEBI Regulations, a copy each of the above policy uploaded on our website is enclosed, for your reference and records.

Thanking you

N Ramanathan
Managing Director

Encl: As above

Ponni Sugars (Erode) Limited

Policy on Related Party Transactions [Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Preamble

- (i) The Board of Directors (“the Board”) of Ponni Sugars (Erode) Ltd (“the Company”) have adopted this policy and associated procedures with regard to Related Party Transactions (RPT). This has been framed in deference to the requirements of Sec.188 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations 2015.
- (ii) This policy applies to transactions between the company and one or more of its Related Parties. It provides a framework for governance and reporting of RPT including material transactions.
- (iii) This policy is in supersession of the policies earlier approved by the Board from time to time and shall be effective from 1st April 2022.

2. About the Company

The company belonging to SPB Group which is professionally managed is deeply committed to the core values of corporate governance concepts. It strives to maintain the highest ethical standards in the conduct of business and has steadfastly stood for the principle of arm’s length dealing with Related Parties.

3. Objective of the Policy

- (i) This policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the company and any of its Related Parties having regard to the potential or actual conflicts of

interest that may arise because of entering into these RPTs. Its cardinal objective is compliance with the applicable Laws and Regulations.

- (ii) The provisions of this policy are designed to govern the approval process and disclosure requirements to achieve transparency in the conduct of RPT in the best interest of the company and its shareholders.

4. Definitions

Words and expressions used in this policy shall have the meanings assigned to them in the Companies Act, 2013 read with relevant Rules thereof, SEBI Regulations, Accounting Standard and/ or other applicable Laws and Regulations.

5. Materiality thresholds

- (i) Transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year with that related party exceeds 10% of the annual turnover of the company as per the last audited financial statements.
- (ii) Material modification for purpose of this policy means any modification(s) in the pricing, quantity or overall transaction value that has an effect on cumulative effect of increasing the value of previously approved RPT by 10% (ten percent) or more.

Provided that in the case of an RPT where formula based pricing is adopted and approved, any change in transaction value without change in the originally approved pricing formula shall be excluded for reckoning material modification.

6. Identification of RPT

- (i) The Company Secretary will use the disclosures under Sec.189(2) of the Companies Act, 2013, engage with the CFO and keep constant track of potential RPT for early identification.
- (ii) An employee of the company who is aware of any transaction that is or may be perceived to be an RPT shall bring the same to the attention of Audit Committee through the Company Secretary.
- (iii) All Directors and KMPs are responsible for providing notice to the Company Secretary of any potential RPT involving them or their relatives, including any additional information about the transaction that the Audit Committee may require.

7. Terms of the policy

(i) Approval of Audit Committee

- (a) All RPTs of the company as prescribed under the Companies Act, 2013 and the Listing Regulations and subsequent material modification(s) thereto will be approved by the Audit Committee of the Board.
- (b) While all members of the Audit Committee can participate in the discussion, only independent directors therein can approve the RPT and subsequent material modification thereto.
- (c) The company shall provide all relevant information on the RPT, including but not restricted to those specified in SEBI circular dated 22nd Nov 2021 and as amended from time to time, for the Audit Committee to have full clarity and arrive at an informed decision.
- (d) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

(ii) Omnibus Approval

- (a) The company may obtain omnibus approval from the Audit Committee in respect of RPTs that are repetitive in nature.
- (b) The Audit Committee will lay down the criteria for granting the omnibus approval in line with the policy.
- (c) The Audit Committee shall, after obtaining the approval of Board of Directors, specify the criteria for giving omnibus approval. It shall follow the requirements under Rule-6A of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.
- (d) Only the independent directors of the Audit Committee are entitled to vote on the omnibus approval.
- (e) The Audit Committee will review in each of its meeting, at least on a quarterly basis, the details of RPTs in pursuance of each of the omnibus approval given.
- (f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

(iii) Circular Resolution

In an unforeseen event where an RPT not covered by omnibus approval needs to be entered due to business exigencies between two Audit committee meetings, the Audit Committee may approve such RPT by passing a resolution by circulation.

(iv) Ratification

Ratification of an RPT after its commencement or completion will be approved by the Audit Committee only in exceptional circumstances and after recording

the justification for its decision in writing. While so ratifying, the Audit Committee may impose such conditions or modifications as it deems fit.

An RPT entered into without prior approval or not covered by the omnibus approval of Audit Committee shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly and reasonably as practicable after being noticed as an RPT.

(v) Board review

If the Audit Committee determines that a particular RPT needs to be brought before the Board or if the Board on its own accord elects to review any such matter or it is mandatory under any law for the Board to approve such RPT, then the Board shall consider and approve such RPT. In doing so, the Board may impose such condition or modification as may be necessary or appropriate under the circumstances.

(vi) Shareholder approval

- (a) All material RPTs and subsequent material modifications shall require the prior approval of shareholders.
- (b) No related party can vote to approve the resolution for above purpose. For this purpose, 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.
- (c) The Notice to shareholders for the above purpose shall disclose the details required under the Companies Act, 2013, SEBI circular dated 22.11.2021 as amended from time and other information considered desirable or necessary by the Board of Directors.

8. Transactions not requiring approval

Notwithstanding the foregoing, the following RPTs shall not require the approval of Audit Committee, Board or Shareholders except where required under specific provisions of the Companies Act:

- (i) Transactions pertaining to the appointment and remuneration of Directors and KMPs that are already approved on the recommendation of the Nomination and Remuneration Committee by the Board and also the reimbursement of reasonable expenses incurred by them in the normal course of business.
- (ii) Transactions that have been approved by the Board under specific provisions of the Companies Act, 2013.
- (iii) Transactions arising out of corporate actions that are uniformly applicable/ offered to all shareholders on pro-rata basis.

9. Policy review

This policy will be reviewed once in every three years, or earlier if considered necessary, by the Board of Directors and updated accordingly.

10. General

- (i) The company, the Audit Committee or the Board shall comply with applicable provisions of the Companies Act, 2013 read with relevant Rules, Circulars/ clarifications thereof, Listing Regulations and Accounting Standard. The approval process, voting rights, disclosures shall all be in strict compliance of extant Rules and Regulations.
- (ii) This policy will be communicated to all operational heads and other concerned employees of the company.

(iii) This policy shall be disclosed on the website of the company and the web link thereto shall be provided in the Annual Report.

(iv) The Board or the Audit Committee may amend the policy from time to time as may be required.

(v) Any interpretation, determination or other action taken by the Audit Committee or the Board shall be final and binding on the concerned Related Party.
