

RELATED PARTY TRANSACTIONS POLICY

1. Introduction:

SVP Global Textiles Limited (the “Company” or “SVP Global”) has formulated this Related Party Transactions policy (the “Policy”) in line with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“LODR Regulations”).

2. Objectives:

The Board of Directors of SVP Global Textiles Limited, on the recommendations of the Audit Committee, has adopted this Policy on Related Party Transactions. The objective of this Policy is to regulate the transactions between the Company and its related parties based on the applicable laws and regulations. This Policy establishes a framework for the appropriate approval and reporting of related party transactions, in line with the Company’s corporate governance principles of trust, transparency, integrity, and ethical business practices.

3. Definitions:

- i. “Act” means the Companies Act, 2013, and the rules framed thereunder, including any modifications, amendments, clarifications, circulars, or re-enactments thereof.
- ii. “Arm’s length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- iii. “Audit Committee” means the Committee constituted pursuant to Section 177 of the Companies Act, 2013, read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iv. “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- v.) “Material Modification” shall mean a modification to the terms of a Related Party Transaction, the effect of which will be an increase over the approved limit for such a transaction, by an amount of more than Rs. 100 Crores in a financial year or ten percent (10%) of the approved limit, whichever is higher.
- vi. “Material Related Party Transaction” means a transaction with a Related Party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1,000 Crores or ten percent

(10%) of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower;

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/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five per cent (5%) of the annual consolidated turnover as per the last audited financial statements of the Company;

- vii. "Policy" means this Policy on Related Party Transactions of the Company.
- viii. "Relative" shall mean a "relative" as defined in Section 2(77) of the Act read with Regulation 2(1)(zd) of the Listing Regulations.
- ix. "Related Party/ies" shall mean a person(s) or an entity(ies) which is a related party under Section 2(76) of the Act, read with Regulation 2(1)(zb) of the Listing Regulations.
- x. "Related Party Transactions" shall mean transactions specified under the Act and Regulation 2(1)(zc) of the Listing Regulations, including any amendments or modifications thereof, as may be applicable.
- xi. "Ordinary course of business" means the usual transactions, customs, and practices undertaken by the Company to conduct its business operations and activities, including all activities permissible under the Memorandum & Articles of Association.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, or any other applicable law or regulation.

4. Review and Approval of Related Party Transactions:

A. Approval by Audit Committee:

1. All transactions identified as Related Party Transactions and material modifications thereof shall be approved by the Audit Committee, in accordance with the Act and/or

SEBI Listing Regulations, as applicable. The Audit Committee shall consider all relevant factors before granting approval.

2. The Audit Committee shall also approve Related Party Transactions where the Company's subsidiary is a party if the value of the transaction(s) exceeds thresholds prescribed under the Listing Regulations.
3. The Audit Committee may grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to criteria as mentioned under Regulation 23(3) of SEBI Listing Regulations. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
4. The Audit Committee shall review:
 - a) Related Party Transactions entered by the Company under omnibus approval on a quarterly basis.
 - b) Status of long-term (more than one year) or recurring transactions annually.
5. Only Independent Directors on the Audit Committee will approve Related Party Transactions. Any member with a potential interest in a transaction will recuse themselves from discussions and voting.
6. The Audit Committee may grant omnibus approval for unforeseen Related Party Transactions as specified under SEBI Listing Regulations.
7. Any Related Party Transaction not under the omnibus approval or otherwise pre-approved by the Audit Committee will be placed before the Committee for ratification.

B. Approval by Board of Directors:

Prior approval of the Board of Directors is required for:

- (i) Transactions involving Directors or KMPs.
- (ii) Transactions specified in Section 188(1) of the Act that are not in the ordinary course of business and/or not on arm's length terms
- (iii) Material Related Party Transactions for shareholder approval.
- (iv) Transactions that the Audit Committee or Board of Directors decides to review.
- (v) Transactions requiring Board approval by applicable law.
- (vi) Material modifications to previously approved Related Party Transactions.
- (vii) Transactions prescribed by the shareholders from time to time.

Any interested Director will recuse themselves from discussion and voting.

C. Approval by Shareholders:

Shareholder approval is required for:

- (i) Material Related Party Transactions and Material Modifications.
- (ii) Transactions specified in Section 188(1) of the Act which:

- Are not in the ordinary course of business and/or not on arm's length terms; and
- Exceed the threshold in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014.

No Related Party may vote on resolutions to approve transactions in which they are an interested party.

In the circumstances the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would seek post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations.

D. Exceptions:

Approval from the Audit Committee, Board, or Shareholders is not required for:

- (a) Transactions between the Company and its wholly-owned subsidiaries, provided accounts are consolidated and presented to shareholders.
- (b) Transactions between wholly-owned subsidiaries of the Company, provided accounts are consolidated and presented to shareholders.
- (c) Any transaction exempted under the Act, SEBI Listing Regulations, or other applicable law.

5. Disclosures :

Disclosures required by the Act and SEBI Listing Regulations shall be made in the Annual Report and to stock exchanges. This Policy shall be hosted on the Company's website, and its link shall be provided in the Annual Report. A quarterly statement of Related Party Transactions shall be presented to the Audit Committee and Board.

6. Ratification of Transactions:

If any Director, KMP, or officer becomes aware of any Related Party Transaction not approved under this Policy, they shall promptly notify the Company Secretary. The transaction will be placed before the Audit Committee/Board for ratification or other actions.

Post facto approval shall not violate this Policy.

7. Scope and Limitations:

In case of conflict, statutory provisions of the Act or Regulations shall prevail over this Policy. Amendments to applicable laws shall automatically apply.

8. Amendments:

This Policy shall be reviewed by the Board at least once every three years, or as required, and amended as necessary.
