



POLICY ON RELATED PARTY TRANSACTIONS

SOP #	
Version	3
Approved on	6 th February, 2026
Effective from	6 th February, 2026

SULA VINEYARDS LIMITED (SVL)

POLICY ON RELATED PARTY TRANSACTIONS

Commercial SOP #	
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SULA VINEYARDS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

I. Background

The Board of Directors of Sula Vineyards Limited (“**Company**”) in pursuance of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) read with the provisions of Section 177 and Section 188 of the Companies Act, 2013 (“**the Act**”) and other applicable provisions (including any statutory enactments / amendments thereof) & relevant rules made thereunder and as recommended by the Audit Committee, adopted the policy on materiality of related party transactions and on dealing with related party transactions (the “**Policy**”) vide its Board meeting held on 15th July, 2022.

The Policy has been formulated to regulate the transactions between the Company and its related parties based on applicable laws and regulations to the Company.

II. Purpose

Regulation 23 of the SEBI Listing Regulations, *inter alia*, provides, that the Company shall formulate a Policy on dealing with and materiality of Related Party Transactions.

The Policy intends to comply with the requirement of corporate governance norms under SEBI Listing Regulations and the Act which require companies to have enhanced transparency and due process for approval of the related party transactions.

Accordingly, the Company has framed this Policy with the intent to ensure the proper approval and reporting of related party transactions. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties (as defined below) as well as policies concerning transactions with Related Parties (as defined below).

This Policy encompasses the mechanism to regulate transactions with related parties in a fair and transparent manner.

III. Definitions

“**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**” means Audit Committee constituted by the Board, from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

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SOP #	
Version	3
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“Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Company” means Sula Vineyards Limited.

“Key Managerial Personnel” means Key Managerial Personnel as defined in section 2(51) of the Act.

“Material Modification” in terms of SEBI Listing Regulations means any subsequent modification(s) made to an approved Related Party Transaction(s) which taken individually or taken together with previously approved transactions with the same related party in a Financial year resulting in:

- a) change in pricing, quantity or overall transaction value having a variance of 10% or more;
- b) change in the arm’s length pricing methodology;

In case a modification is required pursuant to amendment to the applicable laws, it shall not be regarded as a material modification.

“Material Related Party Transaction” means a transaction with a Related Party where any transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the thresholds prescribed in the SEBI Listing Regulations including all amendments and modifications thereof from time to time.

A transaction with related party, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year which is not in ordinary course of business or not on arm’s length basis, exceeds the threshold limits as provided under Section 188 of the Act read alongwith Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014) and other applicable provisions of the Act and rules made thereunder.

“Related Party”, shall have the meaning ascribed to it in SEBI Listing Regulations and the Act, including all amendments and modifications thereof from time to time.

“Relative”, shall have the meaning ascribed to it in SEBI Listing Regulations and the Act, including all amendments and modifications thereof from time to time.

“Related Party Transaction” shall have the meaning ascribed to it in SEBI Listing Regulations and the Act, including all amendments and modifications thereof from time to time .

“Subsidiary” shall means a subsidiary as defined under Section 2(87) of the Act.

“Ordinary Course of business” for the purpose of this RPT Policy, shall include those transactions which are entered in accordance with the business objectives of the Company as included in the objects clause of the memorandum of association of the Company and necessary for Company’s



POLICY ON RELATED PARTY TRANSACTIONS

SOP #	
Version	3
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operations and includes but not limited to activities that are normal/incidental and/or facilitative activities of the business of the Company.

The satisfaction of any of the following tests shall determine whether a transaction is in the 'ordinary course of business' of the Company:

- (i) The activity in question should be in furtherance of the business objectives of the Company and there should be a proximity of the activity in question with the normal business activities of the Company.
- (ii) There is a historical practice to carry out such activities;
- (iii) There is a pattern of frequency to conduct such activities over a period of time;
- (iv) The transaction is not an exceptional or extra ordinary activity; and
- (v) It meets any other parameters/criteria as decided by the Audit Committee and/or Board of Directors of the Company.

“**Transaction**” with a related party shall be construed to include single transaction or a group of transactions in a contract.

Words, terms, and expressions used and not defined in this Policy or SEBI Listing Regulations shall have the meaning as set out in (i) the Act, (ii) Securities and Exchange Board of India Act, 1992, (iii) Securities Contracts (Regulations) Act, 1956, (iv) Depositories Act, 1996 and/or the rules thereof and regulations made thereunder, for the time being in force and/or as may be restated and/or modified from time to time.

IV. Identification of Related Party Transactions

- (a) Before the commencement of each financial year, the Company shall draw up a list of Related Party(s) in accordance with the definition given in SEBI Listing Regulations and the Act. Any changes to the list during the financial year shall be made as and when the Company receives information in this regard.
- (b) Every Director and Key Managerial Personnel of the Company and its Subsidiaries shall, as may be applicable to them, provide a declaration/disclosure of their interest (directly or indirectly) containing the necessary details of related parties covered in the definition of related party as per SEBI Listing Regulations and the Act, to the Company Secretary/Compliance Officer of the Company, (i) at the time of appointment, (ii) periodically – as required by the Company or applicable law, and (iii) whenever there is any change in information already submitted.

The Chief Financial Officer (“CFO”) is responsible for identification of the potential related party transactions and to provide necessary information in advance to the Company Secretary for initiating the process to obtain the necessary approvals of the Audit Committee/Board/Shareholders. Further, the Chief Financial Officer and the Managing Director are responsible for providing additional information about transactions that the Board / Audit Committee may request, for being placed before the Audit Committee / Board.

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POLICY ON RELATED PARTY TRANSACTIONS

SOP #	
Version	3
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V. Dealing with Related Party Transactions

The Board shall fulfil the function of monitoring and managing potential conflicts of interest of management, Board and shareholders, including misuse of corporate resources and abuse in related party transactions.

The Company shall comply with applicable provisions of the SEBI Listing Regulations, the Act and Rules made there under, the Listing Agreement and other applicable law in force from time to time in dealing with the Related Party Transactions.

VI. Approval Process

6.1. Audit Committee

All Related Party Transactions and material modification thereto shall require prior approval of the Audit Committee. Accordingly, all proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee.

Only those members of the Audit Committee, who are independent directors, shall approve related party transactions; Any member of the Audit Committee having a potential interest in the proposed related party transaction, will recuse herself / himself and abstain from the discussion and voting on the proposal for approval of the said transaction.

Any transaction involving an amount not exceeding Rupees One crore entered into by a Director or officer of the Company may be ratified by the Audit Committee within three months from the date of the transaction, failing which such transaction would be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it. Any such ratification shall be in accordance with the conditions mentioned under the Regulation 23 of the SEBI Listing Regulations.

The Company shall provide the Audit Committee with the information as specified in the circulars issued by SEBI and Industry Standards on "Minimum information to be provided to the Audit Committee and shareholders for approval of related party transaction" while placing any proposal for review and approval of RPT, which shall be effective as and when notified in the applicable SEBI circulars/notifications.



POLICY ON RELATED PARTY TRANSACTIONS

SOP #	
Version	3
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The CFO of the Company shall provide to the Committee all relevant material information of all Related Party Transaction(s), including the terms of the transaction(s), the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters *inter alia* including the following:

- (i) the name of the related party and nature of relationship;
- (ii) the nature, duration of the contract and particulars of the contract or arrangement;
- (iii) the material terms of the contract or arrangement including the value, if any;
- (iv) any advance paid or received for the contract or arrangement, if any;
- (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
- (vii) the persons/authority seeking the approval of the proposed transaction; and
- (viii) any other information relevant or important for the Committee to take a decision on the proposed transaction.

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 and would apply on the same basis if the transaction did not involve a Related Party;
- (ii) Whether the Related Party Transaction would affect the independence of the Director/KMP;
- (iii) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- (iv) Whether the Related Party Transaction is in the nature of 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 the Director or other Related Party, the direct or indirect nature of the Directors, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.



POLICY ON RELATED PARTY TRANSACTIONS

SOP #	
Version	3
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- (v) Whether there are any compelling business reasons / rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (vi) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company.
- (vii) Any other factor the Audit Committee deems relevant for reviewing and approving such RPT.

Subject to the provisions of the applicable laws, the Audit Committee will have the discretion to approve/modify/recommend/refer the proposed Related Party Transaction for the approval of Board or shareholders.

And, in the event such transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Act and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

Omnibus Approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- (i) The Audit Committee shall lay down the criteria for granting an omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of Related Party Transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company;
- (iii) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;
- (iv) Such omnibus approval shall specify the factors as specified under Rule 6(a) of the Companies (Meetings of Board and its Powers) Rules, 2014 along with the applicable SEBI Circular and Industry Standard Forum ("ISF").

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.



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- (v) Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.
- (vi) Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- (vii) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of the financial year.
- (viii) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- (ix) The omnibus approval granted by the shareholders for material transactions as per the SEBI Listing Regulations in the annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act, or rules, notifications, or circulars issued thereunder from time to time.

Further, in case of omnibus approvals for material transaction as per SEBI Listing Regulations, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

6.2. Board of Directors

A Related Party Transaction shall be approved by the Board by passing a resolution in this regard at a meeting of the Board, provided that Board approval is not required for any of the Related Party Transaction(s) to be entered into in the ordinary course of business and on an arm's length basis.

Where any Director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

6.3. Shareholders

All Material Related Party Transactions and subsequent material modification shall require the prior approval of the shareholders (unless exempted pursuant to SEBI Listing Regulations and the Act) and no related party shall vote to approve such resolutions whether the person/entity is a related party to the particular transaction or not.

The Related Party Transactions which are not in ordinary course of business and / or arm's length basis or both, if exceeding the threshold limits currently specified under Section 188 of



POLICY ON RELATED PARTY TRANSACTIONS

SOP #	
Version	3
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the Act and as may be amended from time to time, require not only prior approval of the Board but also of the Shareholders of the Company.

The notice being sent to the Shareholders seeking approval for any RPT shall, in addition to the requirements under the Act, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” which shall be effective as and when notified.

6.4. Ratification of Related Party Transactions

The members of the Audit Committee, who are independent directors, may ratify transactions entered with related party, 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;
- 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 given in accordance with Regulation 23(9) of the SEBI LODR;
- v. Any other condition as specified by the Audit Committee.

VII. Exemption from applicability of the Policy

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this Policy shall not apply to the following Related Party Transactions and such Transactions shall not require approval of Audit Committee or Shareholders:

- (i) Transactions that are entered into between a Holding Company and its wholly owned subsidiary and 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.
- (ii) 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.



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VIII. RPTs not approved under this Policy

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may 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. In connection with any review of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

IX. Disclosure

The Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

X. Policy Review and Interpretation

The Board may, subject to applicable laws, amend, suspend or rescind this Policy at any time and in any case, the Policy shall be reviewed by the Board at least once every three years and updated accordingly, after taking into consideration the recommendations from the Audit Committee. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Related Party Policy.

In case of any amendment(s), clarification(s), circular(s), notification(s), etc. issued by the relevant authorities under the SEBI Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment thereof, not being consistent with the provisions laid down under the Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc., even if not expressly incorporated in this Policy.