

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Regd. Office: "Birla Building", 9/1, R. N. Mukherjee Road, Kolkata- 700001

Phone: 033 3057 3700/ 3041 0900

E-mail: pilaniinvestment1@gmail.com, Website: www.pilaniinvestment.com

CIN: L24131WB1948PLC095302

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the "Board") of Pilani Investment and Industries Corporation Limited (the "Company" or "Pilani"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Management will review and may amend this policy from time to time to bring the same in line with the amendments as may be applicable under the Clause 49 of the Listing Agreement and / or the relevant provisions of the Companies Act, 2013

2. Objectives

This Policy shall regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company and also lay down mechanism for identification, approval, review and reporting of such transactions.

3. Definitions

"**Act**" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

"**Arms' 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**" shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of the Act and Listing Agreement.

"**Board**" refers to Board of Directors of Pilani Investment and Industries Corporation Limited.

"**Company**" or "Pilani" refers to Pilani Investment and Industries Corporation Limited pursuant to this policy.

"**Key Managerial Personnel**" means a key managerial personnel as defined under the Companies Act, 2013.

"**Material transaction**" means a transaction with a related party where any transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.



“**Related Party**” shall have the meaning ascribed to it in Clause 49 of the Listing Agreement and the Act, including all amendments and modifications thereof from time to time.

“**Related Party Transaction**” means transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

4. Policy

A) Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice of disclosure of interest under section 184 of the Act alongwith list of relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/individual disclosed by the director/ KMP or any other related party without necessary approvals.

B) Process for Approval of Related Party Transactions

❖ Approval of Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee.

❖ Approval of Board Of Directors

All the Related Party Transactions under section 188 of the Act shall be approved by the Board of Directors of the Company, however this provision will not apply to the transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

All the Material Related Party Transactions as per Listing Agreement shall be approved by the Board of Directors of the Company.

❖ Approval of Shareholders

All the material related party transactions under Listing Agreement shall be approved by the Shareholders through a special resolution and all entities falling under the definition of “related parties” shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not. Further, any transactions not covered above but covered under the “material related party transactions defined under section 188 of the Act shall be approved by the Shareholders through a special resolution and the concerned related party(ies) which are related to that transaction shall not vote on such resolution.

C) General factors to be considered while granting approval to Related Party Transactions

The Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transactions while granting its approval:



- ❖ Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- ❖ 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;
- ❖ Whether the Related Party Transaction would affect the independence of an independent director;
- ❖ Whether the transaction qualifies to be a transaction in ordinary course of business and at arms length.
- ❖ Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the overall financial position of the director or other Related Party, the direct or indirect nature of the director's, 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.

5. Related Party Transactions which are not in the purview of this policy

Whereby any amendment in the Listing Agreement, Act, other applicable provisions of any other relevant law, rules and regulations, specifically exempts certain categories of Related Party Transactions from:

- ❖ Complying with this Policy; or
- ❖ Seeking Audit Committee's prior approval/ Board's approval/ Shareholders approval,

such transactions shall be automatically exempted from the purview of this policy.

6. Following transactions not to be considered as Related Party Transactions:

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

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.



