

**PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED**  
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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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") 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 Regulations.

**"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 (hereinafter referred to as "KMP") 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.



A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

**“Related Party”** means a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable Accounting Standards.

(Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.)

**“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**

Every Director and the KMP is responsible for providing Notice of Disclosure of Interest under Section 184 of the Act along with List of Relatives to the Company.

Every Director and the KMP shall be responsible to update to the Company Secretary of any change(s) in the abovementioned Disclosure(s) immediately on becoming aware of such change(s).

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**

- i. 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.
- ii. Transaction(s) 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 of Directors for approval.



