

BENGAL & ASSAM COMPANY LIMITED

Policy on Materiality of Related Party Transactions and on dealings with Related Party Transactions (Related Party Transactions Policy)

Adopted on 7th August, 2014

(Revised with effect from 1st April, 2025)

1. Preamble

The Board of Directors of the Company (the "Board"), has adopted this policy and procedures for dealing with Related Party Transactions (RPTs), in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made thereunder (the "Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), including any modification(s) or re-enactment(s) thereof for the time being in force and/or any other law or regulation, as may be applicable from time to time, in order to ensure the transparency and procedural fairness of such transactions.

2. Objective

This policy is intended to ensure proper approval and reporting of Related Party transactions as applicable, in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

3. Definitions

(a) "Words, Terms & Expressions used in this Policy"

Unless the context otherwise requires, the words, terms and expressions used in this Policy shall have the same meanings as given in the Act/SEBI Listing Regulations and any other law or regulation, as may be applicable from time to time.

(b) "Material Related Party Transaction(s)"

A 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, exceeds the limits as may be specified in the SEBI Listing Regulations/the Act in this regard, as may be applicable from time to time.

(c) "Material Modifications"

In relation to a Related Party Transaction (RPT) approved by the Audit Committee/Board or a Material RPT approved by the Shareholders, as the case may be, material modification means any variation having an impact on the monetary limits already approved by the Audit Committee/Board or Shareholders, as the case may be, exceeding:

- (i) 50% for transactions of up to Rs. 20 Crore; and
- (ii) 20% for transactions of more than Rs. 20 Crore

over and above the approved limits of transactions in each case.

(d) "Monetary Value"

Monetary value of related party transactions approved by the Audit Committee or Board or Shareholders, as the case may be, shall be exclusive of any applicable taxes thereon viz. GST, cess etc.

4. Compliance Officer

- 4.1 For purposes of this Policy, the Chief Financial Officer of the Company shall be the Compliance Officer. The Board may, where it is considered necessary so to do, appoint such other officer as it may consider appropriate as such Compliance Officer(s).
- 4.2 The Compliance Officer shall ensure proper implementation of this Policy and may lay down monitoring mechanism for its compliance as may be deemed appropriate.

5. Manner of dealing with Related Party Transactions

5.1 Identification of Related Parties

The Company shall identify Related Parties as per the definition provided in the applicable laws, including the Companies Act, 2013, the SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time. The Company shall regularly verify and update the list of Related Parties in accordance with the applicable laws.

5.2 Identification of Related Party Transactions

The Company shall identify Related Party Transactions as per the definition provided in the applicable laws, including the Companies Act, 2013, the SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time, for approval of the Audit Committee, Board of Directors and Shareholders, as may be required.

6. Approval/Review Mechanism/Ratification

(A) Approval of the Audit Committee

- (a) All Related Party Transactions except the transactions which are exempted under Regulation 23 of SEBI Listing Regulations and subsequent material modifications therein, shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.
- (b) The Audit Committee may however grant omnibus approval for Related Party Transactions of repetitive nature, proposed to be entered into by the Company or its subsidiaries, subject to the guidelines issued under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, as amended from time to time, in this regard.
- (c) The Company shall provide the information for review of the Audit Committee for approval of a proposed Related Party Transaction as prescribed under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, from time to time.
- (d) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- (e) Variation of upto threshold limits of Material Modifications as defined herein above, over and above the approved limits of the Related Party Transactions due to business needs of the Company considering the operational convenience and in the overall interest of the Company is permissible subject to its ratification by the Audit Committee.

- (f) A Quarterly Certificate signed by the Internal Auditor of the company shall be placed before the audit committee certifying as to whether all transactions enter into with related parties during the relevant period were in the ordinary course of business and on arm's length pricing or not and whether these transaction work with due compliance of this policy or not what.

(B) Ratification of Related Party Transactions:

The Members of the Audit Committee, who are Independent Directors may ratify a related party transaction within three months from the date of transaction or at the immediate next meeting of the Audit Committee, whichever is earlier, subject to the guidelines issued under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, as amended from time to time.

(C) Approval of Board/Shareholders for the Related Party Transactions

In addition to approval of the Audit Committee, the Related Party Transactions will also be required to be approved by the Board of Directors and/or the Shareholders of the Company, as may be required, keeping in view the provisions of the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, from time to time.

7. Disclosure

The particulars of the Related Party Transactions shall be disclosed in the Board's Report and/or in the Annual Report and to the Stock Exchange and also to the Board of Directors/Audit Committee, as may be required, under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, as amended from time to time, in this regard.

8. Amendment of the Policy

Any subsequent amendment(s)/modification(s) in the Act, SEBI Listing Regulations, applicable Accounting Standards or any other governing law, which makes any of the provision of this Policy inconsistent with such Act, SEBI Listing Regulations, Accounting Standards or any other governing law, then the provisions of such Act, SEBI Listing Regulations, Accounting Standards or any other governing law shall prevail and the Chief Financial Officer and the Company Secretary of the Company are severally authorized to carry out any further changes in the Policy to make it consistent with the amended Act, SEBI Listing Regulations, applicable Accounting Standards or other governing law and the Audit Committee shall be kept informed of the same.

9. Review of the Policy

This Policy will be reviewed by the Board of Directors of the Company at least once in every three years or at such interval as may be prescribed under the Act or SEBI Listing Regulations.

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