

## POLICY ON RELATED PARTY TRANSACTIONS

### Introduction

The Securities Exchange Board of India (SEBI), on September 2, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”). As per Regulation 23 of the Regulations, Burnpur Cement Limited (the “Company”) has adopted a policy namely “Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions” (the “Policy”) to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

The Board of Directors (the “Board”) of Burnpur Cement Limited (the “Company”) had originally adopted this Policy on Related Party Transactions (“the Policy”), as required in terms of Clause 49 of the erstwhile Listing Agreement at its meeting held on 29.05.2014. However, pursuant to amendments in Companies Act, 2013, the SEBI LODR and in light of its impact on the compliance and disclosures pertaining to Related Party Transactions the Board or the Audit Committee of the Board (“Audit Committee”), subject to confirmation by Board, reviewed and amend this policy from time to time.

Sl. No	Particulars	Date
1	Policy adopted	29.05.2014
2.	Amended	09.11.2015
3.	Amended	02.02.2021
4	Amended	01.04.2022

### EFFECTIVE DATE

This revised Policy shall become effective from the date of its approval by the Board i.e.10.02.2025, pursuant to the recommendation of the Audit Committee and subject to the approval of the Board.

### SCOPE AND PURPOSE

The Companies Act, 2013, the Rules framed thereunder as well as Regulation 23 of SEBI LODR, contain detailed provisions on Related Party Transactions.

This revised Policy on Transactions with Related Parties (Policy) has been framed as per the requirements of the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment or modification thereof, as may be applicable, (hereinafter also referred to as Listing Regulations) and also to comply with the provisions of Section 188 of the Companies Act, 2013. and is intended to ensure proper approval and reporting of the transactions between the Company and its Related Parties.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transaction

The Board recognizes that certain transactions present a risk of conflicts of interest or the perception thereof. Therefore, based on the Audit Committee recommendation, the Board has adopted this Policy to ensure that all Related Party Transactions shall be subject to this policy and approval or ratification in accordance with Applicable Law. This Policy contains procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions.

## **CLARIFICATIONS, AMENDMENTS AND UPDATES**

This Policy shall be implemented as per the provisions of the applicable Laws. Any amendments in the applicable Laws, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous application of Applicable Law at the time of its implementation.

The Policy on Related Party Transactions shall be mandatorily reviewed by the Board of Directors at least once every three years. However, it can /may be amended at any time and is subject to any further change in the Listing Regulations or the Companies Act, 2013 (the Act) or rules/regulations made thereunder.

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

## **DEFINITIONS**

1. “Applicable Law” means the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Indian Accounting Standards (including any modifications/ re-enactments thereof) and includes any other statute, law, standards, regulations, circulars or other governmental instruction relating to Related Party Transactions applicable on the Company;
2. “Audit Committee” means the Committee of Board of Directors of the Company constituted under provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR;
3. “Board” means the Board of Directors of the Company;
4. “Compliance Officer” means the Company Secretary of the Company or such Compliance Officer identified by the Board for the purpose of SEBI LODR.
5. “Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
6. “Key Managerial Personnel” means

1. Chief Executive Officer or Managing Director or the Manager;
2. Company Secretary;
3. Whole-Time Directors;
4. Chief Financial Officer
5. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
6. such other officer as may be prescribed.

7. “Material Related Party Transactions” shall mean the following Transactions with a Related Party:

Nature of Transactions	Limit for qualifying as Material Related Party Transaction
Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	Amounting to 10% or more of the turnover of the Company or Rs. 1000 crore, whichever is lower
Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	Amounting to 10% or more of the net worth of the Company or Rs. 1000 crore, whichever is lower
Leasing of property of any kind.	Amounting to 10% or more of the turnover of the Company, or Rs. 1000 crore whichever is lower
Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% or more of the turnover of the Company or Rs. 1000 crore, whichever is lower
Appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company.	Monthly remuneration exceeding two and half lakh rupees
Underwriting the subscription of any securities or derivatives thereof, of the Company	Remuneration exceeding 1% of net worth of the Company
Transaction involving payments made to a related party with respect to brand usage or royalty	Exceeding 5% of the annual consolidated turnover of the Company
Any other transaction with related parties, other than those covered above, resulting in transfer of resources, obligations or services	Exceeding 10% of the annual consolidated turnover of the Company or Rs. 1000 Crore, whichever is lower
<p>Note:</p> <p>a. the limits specified in points (1) to (4), point (7) and (8) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.</p> <p>b. the turnover or net worth referred in the above points shall be computed on the basis of the audited financial statement of the preceding financial year</p> <p>c. transaction with Related Party shall be construed to include single transaction or a group of transactions in a contract</p>	



1. “Relative(s)” shall have the same meaning as assigned to it under Section 2 (77) of the Companies Act, 2013 and the Rules made thereunder and Regulation 2 (1) (zd) of SEBI LODR.
2. “Related Party” means an individual or an entity who is “related” to the Company in terms of -
  - a. Section 2(76) of the Act
  - b. Regulation 2(1)(zb) of the SEBI LODR
  - c. Ind AS 24, as amended from time to time
3. “Related Party Transaction” shall have the meaning as defined under Regulation 2(1) (zc) of the SEBI Listing Regulations and include all transaction as envisaged in Section 188 of the Companies Act, 2013 and its related Rules
4. Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions for the purpose of this Policy:
  - i. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - ii. the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
    - i. payment of dividend;
    - ii. subdivision or consolidation of securities;
    - iii. issuance of securities by way of a rights issue or a bonus issue; and
    - iv. buy-back of securities
  - iii. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosures as required.
  - iv. acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time including interest thereon.
  - v. retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors

### (iii) POLICY STATEMENT

1. Subject to the following provisions, all the Related Party Transactions proposed to be entered into by the Company shall require the prior approval of the Audit Committee, including those transactions proposed to be entered in the ordinary course of its business. The said transactions shall be disclosed in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations.
2. **Materiality Thresholds:** As per Explanation to Regulation 23 of SEBI (LODR) Regulations, 2015,

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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

### 3. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

#### *A. Identification of Related Parties*

The Compliance officer / Company Secretary shall all the time identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 23 of SEBI (LODR) Regulations, 2015. The record of Related Parties shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year. The record of Related Parties shall be placed before the Audit Committee. Each director and Key Managerial Personnel is responsible for providing notice of disclosure of interest under section 184 of the Companies Act, 2013 along with 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. Procedures for review and approval of Related Party Transactions*

##### **Approval of Audit Committee:**

- (a) All the Related Party Transactions and material modifications thereto, of the Company with its Related Parties, shall require prior approval of the Audit Committee, and only those members of the audit committee, who are independent directors, shall approve such related party transactions. Any other modification should also be approved by the Audit Committee.

Material modifications will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be or such modification which would make the transaction less favourable to the company.

- (b) The threshold limits for approvals will be as follows:

- i. The transactions for which omnibus approval of the Audit Committee has already been sought will not require prior approval of the Audit Committee for each transaction entered into pursuant to the same. Where the need/purpose of the transactions to be entered into with Related Parties cannot be foreseen and details related to name of the party, nature of transaction, maximum amount of transaction, indicative base price / current contracted price and the formula for variation in the price and such other parameters as may be laid down by the Audit Committee, are not available at the time of taking such approval, the omnibus approval for such transactions shall be granted subject to their value not exceeding Rs.100 lakhs per transaction (**Immaterial Transactions**). Further, such transactions shall be reported to the Audit Committee quarterly.
- ii. All Related Party Transaction for which no omnibus approval has been accorded as above, shall require prior approval of Audit Committee. Audit Committee can now grant omnibus approval for RPT to be entered by the subsidiary also.

- iii. Where Related Party transactions have been entered into prior to such transactions being placed before the Committee reasoned explanation for the same must be received from the contracting employees to the satisfaction of the Audit Committee.
- (c) Related Party Transaction to which the subsidiary of the company is party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of the transaction whether entered into individually or taken together with previous transactions during the financial year exceeds 10% of annual consolidated turnover, as per the last audited financial statements of the Company.
- (d) W.e.f. April 01, 2023, a Related Party Transaction to which the subsidiary of the company is party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of the transaction whether entered into individually or taken together with previous transactions during the financial year exceeds 10% of annual standalone turnover, as per the last audited financial statements of the subsidiary.
- (e) Prior approval of the Audit Committee is not required for a related party transaction to which the listed subsidiary is party, but the Company is not a party, if Regulation 23 and sub regulation (2) of regulation 15 of the SEBI LODR are applicable to such listed subsidiary. Non-material Remuneration and sitting fees paid by listed entity or its subsidiary to director, KMP or senior management except P/PG shall not require approval of Audit Committee.
- (f) Related Party Transactions that are not in ordinary course of business but on arm's length basis may be approved by Audit Committee. Where such transactions fall under Section 188 (1), the Audit Committee shall recommend the transaction for approval of the Board.
- (g) Related Party Transactions that are not on arm's length basis, irrespective of whether the transactions are covered under Section 188 or not, shall be recommended by the Audit Committee to the Board for appropriate action.
- (h) The Audit Committee shall mandatorily review the statement of all related party transactions submitted by management. Audit Committee shall now also review the related party transactions entered by subsidiary if any at least on a quarterly basis.
- (i) The Audit Committee will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would require the approval of the Board, or if the Board in any case elects to review any such matter, the Audit Committee will report the Related Party Transaction, together with a summary of material facts, to the Board for its approval.
- (j) If the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of a resolution pursuant to Applicable Law, the Board shall ensure that the same be put up for approval by the shareholders of the Company.

However, for those Related Party Transactions covered under LODR and Section 188 of the Companies Act, 2013, transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval are exempted from compliance requirements under



the said clause.

- (k) In determining whether to approve or ratify a Related Party Transaction, the Audit Committee / Board will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favourable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.
- (l) No director or Key Managerial Personnel shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director /Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board.
- (m) If a Related Party Transaction will be on-going, the Board / Audit Committee may establish guidelines for the Company's management to follow in its on-going dealings with the Related Party. Thereafter, the Board, on at least an annual basis, shall review and assess on-going relationships with the Related Party to ensure that they are in compliance with the Act and rules made thereunder, SEBI LODR and this Policy and that the Related Party Transaction remains appropriate.
- (n) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

### **Board of Directors**

- a. In case of Related Party Transaction which is not in the ordinary course of business or not at arm's length transaction, whether or not it is a material Related Party Transaction, prior approval of the Board through a resolution passed at the meeting of the Board shall be necessary.
- b. 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

### **Shareholders Approval**

1. All material related party transactions shall be carried out as per provisions of the Act
2. If a related party transaction is not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds as prescribed under Section 188 of the Companies Act, it shall require shareholders' approval by a resolution. The Related Parties shall abstain from voting as shareholders in case of Related Party Transactions which require the approval of shareholders
3. All material related party shall require prior approval of the shareholders through resolution and no related party shall vote such resolutions whether the entity is a related party to the particular transaction or not.
4. However, the shareholders' approval is not required for the transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
5. The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition

to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee
- b. Justification for why the proposed transaction is in the interest of the listed entity
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details, as required in SEBI LODR;
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant

### ***C. Omnibus Approval by the Audit Committee***

For the ease of carrying out transactions/ contracts/ arrangements, the Audit Committee may grant omnibus approvals to the following transactions, proposed to be entered by the Company or its subsidiary and such approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year

Where the need/ purpose of the transactions to be entered into with Related Parties cannot be foreseen and details related to name of the party, nature of transaction, maximum amount of transaction, indicative base price / current contracted price and the formula for variation in the price and such other parameters as may be laid down by the Audit Committee, are not available at the time of taking such approval, the omnibus approval for such transactions shall be granted subject to their value not exceeding Rs.1 crore per transaction (Immaterial Transactions).

Transactions above value of Rs. 1 crore per transaction and not included in sub-clause (b) above, may be granted omnibus approval by Audit Committee subject to criteria specified hereunder.

Omnibus approvals shall be granted based on the following:

- i. Frequency of the transactions in the last [3] years;
- ii. Volumes of transactions undertaken with such Related Party. The maximum value of the transactions, per transaction or in aggregate, per related party, shall not exceed lower of the followings:
  - the threshold limits prescribed under Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, in case the Related Party Transactions falls under transactions specified under Section 188 (1) of Companies Act, 2013; or
  - the threshold limit as provided for Material Related Party Transaction under LODR
- iii. Disclosure of the following matters to the Audit Committee at the time of seeking omnibus approval in a manner so as to enable effective decision making.
  - Projected growth rate in the business with the Related Party in the financial year for which omnibus approval is sought.



- Contractual terms offered by third parties for similar transactions.
- Adherence to any conditions on the contractual terms with such Related Parties for instance floor and cap on the pricing, credit terms, escalation in costs, quality checks etc.

iv. Such omnibus approval shall specify the following:

- a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- b. the indicative base price or current contracted price and the formula for variation in the price, if any;
- c. The maximum transaction values and/or the maximum period for which the omnibus approval shall be valid; and
- d. such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for Immaterial Transactions.

- v. Where the Audit Committee is not convinced on the need for granting omnibus approvals, the Audit Committee may reject the proposal placed before it with reasonable explanation for the same.
- vi. Notwithstanding the generality of foregoing, Audit Committee shall not grant omnibus approval for following transactions:
  - a. Transactions which are not in ordinary course of business or not on arm's length basis;
  - b. Transactions which are not repetitive in nature.
  - c. Transactions in respect of selling or disposing of the undertaking of the Company;
  - d. Transactions which are not in the interest of the Company;
  - e. Such other transactions specified under Applicable Law from time to time.
- vii. The Company shall place information as mentioned in SEBI Master Circular dated 11th November, 2024 or any amendment thereof and such other information as may be specified by SEBI or MCA from time to time, for review of the audit committee for approval of a proposed RPTs.
- viii. Where the Audit Committee has granted omnibus approval for certain transactions of the Company or its subsidiary, the transactions will be put for review before the Audit Committee quarterly in every financial year.
- ix. Exceptions allowed under Applicable Laws to Related Party Transactions shall be exempted from the scope of this policy unless the Audit Committee decides otherwise.

## **D. Ratification of Related Party Transactions**

- i. If prior approval of the Audit Committee/ Board/ General Meeting for entering into a Related Party Transaction is not feasible, then the Related Party Transaction may be ratified by the Audit Committee and the Board/ general meeting, if required, within 3 months of entering in the Related Party Transaction.
- ii. The members of the audit committee, who are independent directors, may ratify related party transactions 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:
  - a. 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;
  - b. the transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI LODR;
  - c. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - d. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of SEBI LODR;
  - e. any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

- iii. In any case where either the Audit Committee/ Board/ a general meeting determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board or the general meeting, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee/ Board has authority to modify or waive any procedural requirements of this Policy.
- iv. In cases where a transaction is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.
- v. No director or Key Managerial Personnel shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director/ Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee/ Board.
- vi. If a Related Party Transaction will be ongoing, the Board/ Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Board, on at least an annual basis, shall review and assess on-going relationships with the Related Party to ensure that they are in compliance with the Act and rules made thereunder, SEBI LODR and this Policy and that the Related Party Transaction remains appropriate.

- vii. Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

#### **E. Standards for Review**

A Related Party Transaction reviewed under this Policy will be considered approved or ratified if it is authorized by the Audit Committee / Board, as applicable, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction.

The Audit Committee / Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee / Board, as applicable, may approve / ratify / recommend to the shareholders, the Related Party Transaction only if the Audit Committee / Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee / Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

#### ***D. Determination of Ordinary Course of Business***

- (i) A transaction shall be deemed to be "in the Ordinary Course of Business" of the Company, if:

A. Any of the following conditions are met:

- a. The transaction, including, but not limited to sale or purchase of goods or property, or acquiring or providing of services, conveying or accepting leases, transfer of any resources, hiring of any executives or other staff, providing or availing of any guarantees or collaterals, or receiving or providing any financial assistance, or issue, transfer, acquisition of any securities, is in the normal routine of the Company's business; or
- b. The transaction is in the nature of reimbursements, received or provided, from or to any related party, whether with or without any mark-up towards overheads, and is considered to be congenial for collective procurement or use of any facilities, resources, assets or services in the normal routine of the Company's business and subsequent allocation of the costs or revenues thereof to such related party in an appropriate manner;
- c. That the transaction is such that it would have been entered into with a non related party if it was not entered with related party; AND

B. The transaction is not

- a. an exceptional or extra ordinary activity as per applicable accounting standards or financial reporting requirements;
  - b. Any sale or disposal or any undertaking of the Company, as defined in explanation (i) to clause (a) of sub-section (1) of section 180 of Companies Act, 2013.
- (ii) In order to decide whether or not a contract or arrangement is being entered by the Company in its ordinary course, the Company shall consider whether such contract/ arrangement is germane to attainment of the main objects as set out in its Memorandum of Association.

- (iii) The Company may also consider whether the transaction contemplated under the proposed contract



or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the firsttime, whether the Company intends to carry out similar transactions in the future.

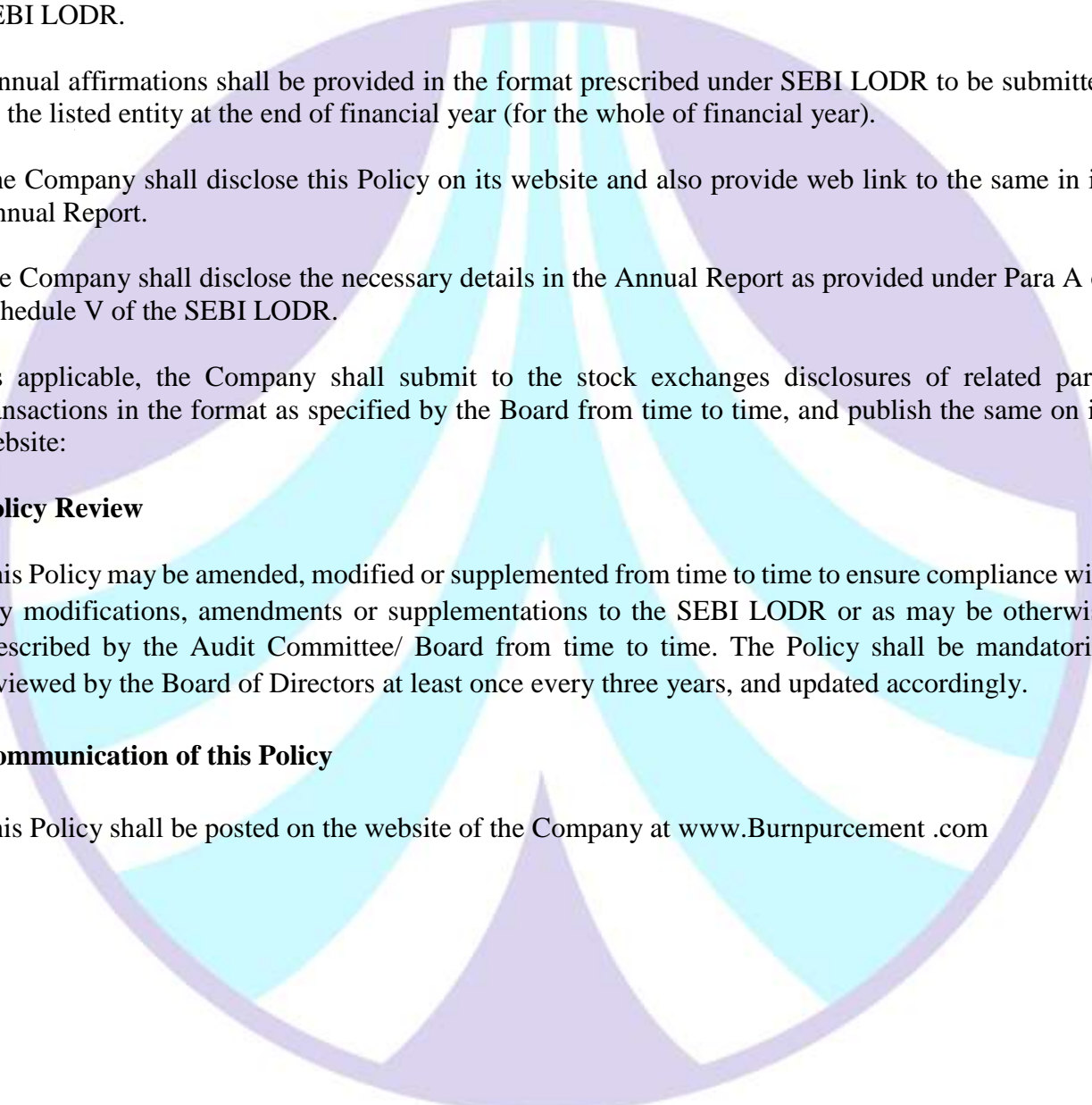
These are not exhaustive criteria and the Audit Committee may assess transactions, considering its specific nature and circumstances.

#### ***E. Determination of Arms' length nature of the Related Party Transaction***

- (i) The following illustrative tests may be used by the Audit Committee for ascertaining arm's length nature of contracts / arrangements that may be entered into by the Company with related parties, or any modification, variation, extension or termination thereof: -
  - a. The contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
  - b. The contracts/ arrangements have been commercially negotiated.
  - c. The pricing is arrived at as per the rule/guidelines that may be issued by or acceptable for the purpose of Ministry of Corporate Affairs, Government of India/ Income Tax Act, 1961, Securities and Exchange Board of India as applicable to any of the contract/ arrangements contemplated under the Companies Act, 2013, Rules framed thereunder or SEBI LODR.
  - d. The terms of contract/arrangement other than pricing are generally on a basis similar to those as may be applicable for similar category of goods and services or similar category/ profile of counterparties.
  - e. Such other criteria as may be issued under Applicable Law.
- (ii) Further, in order to determine the optimum arm's length price, the Corporation may also apply the most appropriate method from any of the following methods as prescribed under Section 92C(1) of the Income Tax Act, 1961 read with Rule 10B of the Income Tax Rules, 1962 –
  - 1. Comparable Uncontrolled Price method (CUP method)
  - 2. Resale Price Method
  - 3. Cost Plus Method
  - 4. Profit Split Method
  - 5. Transactional Net Margin Method
  - 6. Other Method as prescribed by the Central Board of Direct Taxes

#### ***F. Disclosures***

- a) The Company is required to disclose Related Party Transactions covered under Section 188 of the Companies Act, 2013 in the Company's Board's Report as follows:
  - a. All Material Related Party Transactions under the Act and
  - b. All Related Party Transactions not entered into at arm's length basis

- 
- b) Details of all Material Related Party Transactions under SEBI LODR shall be disclosed quarterly along with the Company's Compliance Report on Corporate Governance, in accordance with the SEBI LODR.
  - c) Annual affirmations shall be provided in the format prescribed under SEBI LODR to be submitted by the listed entity at the end of financial year (for the whole of financial year).
  - d) The Company shall disclose this Policy on its website and also provide web link to the same in its Annual Report.
  - e) The Company shall disclose the necessary details in the Annual Report as provided under Para A of Schedule V of the SEBI LODR.
  - f) As applicable, the Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:

#### **G. Policy Review**

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modifications, amendments or supplementations to the SEBI LODR or as may be otherwise prescribed by the Audit Committee/ Board from time to time. The Policy shall be mandatorily reviewed by the Board of Directors at least once every three years, and updated accordingly.

#### **Communication of this Policy**

This Policy shall be posted on the website of the Company at [www.Burnpurcement .com](http://www.Burnpurcement.com)



**BCL**