

Policy on Related Party Transaction

This Policy on Related Party Transaction (hereinafter referred to as 'RPT') is framed based on the provisions of the Companies Act, 2013 ('the Act') read with the Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time.

This Policy is intended to ensure timely identification of RPT, its salient terms and conditions, detail the approval process, outline the disclosure and reporting requirements thereof and to ensure transparency in the conduct of RPT's, so that there is no conflict of interest.

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

This Policy will be reviewed every three years, and will be posted on the Company's website www.purbasharesources.in and web link thereto will be disclosed in the Annual Report of the Company

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

1. TERMS AND REFERENCES

Terms referred in this Policy shall have the same meaning as defined in the Act and Listing Regulations, respectively as assigned to them in the said Act or Regulations or any statutory modifications or re-enactment thereto, as the case may be.

2. MATERIALITY OF RELATED PARTY TRANSACTIONS

A transaction with a related party will be considered material if the transaction(s) to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds Rs. 1,000 crores or ten percent of the annual consolidated turnover (or such other limit as may be specified under the applicable laws / regulations, as the case may be) as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds five percent of the annual consolidated turnover as per the last audited financial statements of the Company.

3. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

Identification of Related Parties

The Company shall identify Related Parties as per the definition provided in the applicable laws and regulations, including the Act and the Listing Regulations, as amended from time to time.

Identification of Related Party Transactions

The Company will identify transactions falling under contracts and arrangements, as per the applicable laws, entered into with related parties for the consent of the Audit Committee, Board of Directors and shareholders, as may be applicable.

Procedure for approval of Related Party Transactions

1. The Company shall not enter into any contract or arrangement with its related party without the prior approval of the Audit Committee.

2. The Audit Committee shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for making omnibus approval for RPTs, which shall include the following:

- ∞ Maximum value of RPTs, in aggregate, which can be allowed under the omnibus approval mechanism;
- ∞ Maximum value per RPT which can be allowed;
- ∞ Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- ∞ Review, at such intervals as the Audit Committee may deem fit, of RPTs entered into pursuant to each of the omnibus approval made;
- ∞ RPTs which cannot be covered under the omnibus approval mechanism

3. Based on the criteria under (2) above, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for related party transactions that are repetitive in nature.

The Audit Committee may also grant omnibus approval for related party transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.

4. While assessing a proposal for approval under the omnibus mechanism, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company.

5. Transactions of the following nature shall be outside the purview of the omnibus approval mechanism:

- ∞ Transactions which are not in the ordinary course of business or not at arm's length.
- ∞ Transactions which are not repetitive or unforeseen in nature.
- ∞ Transactions exceeding the threshold limits specified for omnibus approval.
- ∞ Inter-corporate loans given / taken to / from related parties and purchase / sale of investments from / to related parties.
- ∞ Transactions in respect of sale or disposal of undertaking.
- ∞ Any other transaction as may be specified by the Audit Committee.

6. Such omnibus approval referred to in (2) and (3) above shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

7. The Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into pursuant to each of the omnibus approval given.

8. In the event any contract or arrangement with a related party is not in the ordinary course of business or not 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 the shareholders, as applicable, for such contract or arrangement.

9. All material related party transactions, other than those with / between wholly owned subsidiaries, shall be placed for approval of the shareholders of the Company.

10. Subsequent modifications to the related party transactions of the Company shall require approval of the Audit Committee and / or shareholders, as applicable. In respect of the approved related party transactions of the subsidiaries (where the Company is not a party), only material modification(s) shall require approval of the Audit Committee and / or shareholders of the Company, as applicable.

Material modification(s), for this purpose, are those modifications that result in an increase of more than ten percent of the amount approved by the Audit Committee and / or shareholders, as applicable.

11. Related party transactions that are required to be approved by the Board and / or any other Board Committee shall not require separate approval of the Audit Committee, such as transactions relating to appointment and remuneration of Directors and Key Managerial Personnel, CSR spends by the Company etc.

Further, the following shall not require separate approval of the Audit Committee under this Policy:

- a. issue of securities on a preferential basis subject to compliance with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. corporate actions which are uniformly applicable / offered to all shareholders in proportion to their shareholding:
 - ∞ payment of Dividend (including Interim Dividend);
 - ∞ sub-division or consolidation of securities;
 - ∞ issuance of securities by way of rights issue or bonus issue;
 - ∞ buyback of securities; and
 - ∞ such other transactions as may be prescribed under the applicable laws / regulations.

12. With effect from 1st April, 2023, the approval requirements mentioned hereinabove shall also apply to those transactions undertaken by the Company or any of its subsidiaries on the one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries.

4. DISCLOSURES BY THE COMPANY

Disclosures in respect of related party transactions will be made in accordance with the applicable laws / regulations.