

BALRAMPUR CHINI MILLS LIMITED



Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions

[Pursuant to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]



1. Preamble

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions provides a framework to regulate the related party transactions with respect to Balrampur Chini Mills Limited (hereinafter referred to as “Company”) under regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors (‘Board’) or the Audit Committee of the Board, subject to confirmation by the Board, may review and amend this Policy from time to time.

2. Objective

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of the related party transactions of the Company in compliance with the Applicable Laws as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in conduct of Related Party Transactions in the best interest of the Company and its shareholders as per the requirement of sections 177 and 188 of Companies Act, 2013, (“Act”) and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) and any other laws and regulations as may be applicable to the Company.

3. Definitions

“**Applicable Laws**” means the Companies Act, 2013 and the rules made thereunder, Listing Regulations, applicable accounting standards and any further amendments therein and include any other statute, law, standards, regulations, guidance note or other governmental instruction relating to Related Party Transactions and applicable on the Company

“**Arm’s 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.

Tests for ascertaining whether the Related Party Transactions is at arm’s length basis are *inter alia* as follows:

1. The contracts/ arrangements are entered into with Related Parties, at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
2. The contracts/ arrangements have been commercially negotiated.
3. The pricing is arrived at as per the rule/ guidelines that may be issued by or acceptable to Ministry of Corporate Affairs, Income Tax Act, 1961, Securities and Exchange Board of India and/or such other statutory or regulatory bodies as applicable to any of the contract/ arrangements contemplated under the Act, Rules framed thereunder or Listing Regulations.



4. 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.

Such other criteria as may be specified under Applicable Law.

“Material Related Party Transaction”

A. Under the Listing Regulations, means:

- a. any transaction to be entered into with a Related Party , value whereof individually or taken together with previous Related Party Transaction during a financial year, exceeds the relevant materiality threshold prescribed under Schedule XII of the Listing Regulations, based on the annual consolidated turnover of the Company as per the last audited financial statements, as detailed below:

Schedule XII: - Materiality Thresholds

Annual Consolidated Turnover of the Company (as per last audited financial statements)	Threshold for Materiality
Up to ₹20,000 crore	10% of the annual consolidated turnover
More than ₹20,000 crore and up to ₹40,000 crore	Rs. 2,000 crore plus 5% of the annual consolidated turnover in excess of Rs. 20,000 crore
More than ₹40,000 crore	Rs. 3,000 crore plus 2.5% of the annual consolidated turnover in excess of Rs. 40,000 crore, or Rs. 5,000 crore, whichever is lower

The above thresholds shall be computed on the basis of the last audited consolidated financial statements of the Company, or such other threshold as may be laid down from time to time by Applicable Laws, which includes;

a transaction involving payments made to a Related Party with respect to brand usage or royalty if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

B. Under the Act, means:

transactions as specified under Section 188(1) of the Act where the aggregate value of the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 from time to time.

“Material modification(s)” - shall mean any modification made in the terms and conditions of any Related Party Transactions, which are existing as on the date of adoption of this Policy or entered



subsequently as originally approved by the Audit Committee and/ or shareholders, as the case may be, having significant impact, including the criteria illustrated below, on the nature, value, tenure, exposure, or likely financial impact of such transaction, as may be determined by the Audit Committee from time to time.

Inclusive list of rebuttable presumption that a modification is material, if such modification, together with previous modifications during a financial year, results into any of the following:

- A variation in the value of the transaction/ contract as originally approved, by 10% or more;
- The terms of the contract cease to be at arm's length;
- Granting of waiver, abatement or any other relief to either party, which results into a financial implication equal to 10% or more of the value of the contract;
- Extension of tenure of contract by 10% or more of original tenure, except for completion of any residual performances'
- Any modification which results into the claims of either party being subordinated, or relaxation of security interest:
- Any novation of the contract or arrangement to a third party;
- Any addition of parties in a contract

Provided further that the following shall not be considered as material modification:

- modifications which may be mandated pursuant to change in law,
- modifications pursuant to and in accordance with the specific terms of the approved transaction/ contract, with mutual consent of parties,
- modifications resulting from change in constitution of either of parties pursuant to scheme of arrangement (eg: merger, amalgamation, demerger, etc.), approved by appropriate authority
- modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties,
- modifications uniformly affected for similar transactions with unrelated parties

“Relative” means relative as defined under Section 2(77) of the Act read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014.

“Related Party” means related party as defined in Regulation 2(1)(zb) of the Listing Regulations, as amended, , which *inter alia* includes a related party as defined under sub-section (76) of Section 2 of the Act (as amended) or under the applicable accounting standards.

“Related Party Transaction” (“RPTs”) “Related Party Transactions” (RPTs) shall mean any transaction involving transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand or
- (ii) the Company or any of its subsidiaries on 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



regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Provided that the following shall not be a related party transaction:

1. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
2. 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.
3. retail purchases from the Company or its subsidiary by its directors or its key managerial personnel of the listed entity or its subsidiary and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

Unless the context otherwise requires, words or expressions contained in this Policy and not defined here, shall bear the same meaning as defined under the Applicable Laws.

4. Policy Statement

All RPTs proposed to be entered and subsequent material Modifications thereto shall require prior approval of the Audit Committee including the transactions to be entered in the ordinary course of business and at arms length basis. The Audit Committee shall accordingly recommend the RPTs for the approval of Board of Directors /Shareholders as per the terms of the applicable laws and this Policy.

All Material RPTs and subsequent Material Modifications shall require the approval of shareholders through ordinary resolution. Further, no entities falling under the definition of “Related Parties” shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

5. Identification of Related Parties

The Company shall:

- i. Identify and keep on record, a list of Related Parties of the Company and its subsidiar(ies), if any along with their requisite details.
- ii. Set the mechanism for reporting of such transactions proposed to be entered or entered with Related Parties.
- iii. Besides, the Company shall also maintain a list of Related Parties of its subsidiaries, which may be sourced from respective subsidiaries on a periodic (preferably quarterly) basis, including, as and when there is a change, as reported by the respective subsidiaries or as and when needed.



Adequate systems must be in place to ensure that the proposed RPTs in which the Company is not a party, but the subsidiary is a party, shall be brought to the information of the Company in a timely manner, for necessary approvals, wherever required.

- iv. The list of Related Parties shall be updated whenever necessary and shall be reviewed.
- v. Be responsible for implementation and monitoring of the Company's RPT Policy at all times and submit a quarterly report of the RPTs undertaken to the Audit Committee for review.

6. Disclosure by Directors and KMPs

Every Director shall, at the time of appointment and in the beginning of every financial year and whenever there is any change in disclosures so made, provide information by way of written notice to the Company regarding his/ her concern or interest in other persons/ firms/ entities/ other organisations, with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of Relatives which are regarded as Related Party as per this Policy. Directors are also required to provide the information regarding their engagement with other entities during the financial year which may be regarded as Related Party according to this Policy.

Further, the KMPs shall also provide the list of Relatives which are regarded as Related Party as per this Policy.

7. Review and Approval of RPTs

A. Audit Committee

Related Party Transactions shall require approval as follows -

All Related Party Transactions and subsequent material Modifications shall require prior approval of the Audit Committee.

Prior approval of the Audit Committee of the Company shall also be required in the following instances:

- a. a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds lower of the following:-
 - i. 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary; or
 - ii. the relevant threshold for material related party transactions of the Company as specified in para 2 of this Policy read with Schedule XII of the Listing regulations.
- b. a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the



listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- i. ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary s on a date, not older than three months prior to the date of seeking approval of the audit committee; or
- ii. the threshold for material related party transactions of the Company as specified in Schedule XII of Listing regulations.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

However, such prior approval shall not be required for a related party transaction wherein the subsidiary is listed and regulation 23 of Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of listed subsidiaries of the Company as referred above, prior approval of the audit committee of the listed subsidiary shall suffice.

Approval of the Audit Committee shall not be required for

- I. any transaction which has been entered into by the Company with its wholly owned subsidiary and transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

However, approval shall be required in case of Related Party Transaction entered into between the Company and its wholly owned subsidiary for transactions specified in section 188 of the Act.

- II. remuneration and sitting fees paid by the Company or its subsidiaries to its directors, key managerial personnel or senior management, except who is part of promoter or promoter group, subject to following conditions-
 - i. The same is not material in terms of the provisions of Regulation 23 of the Listing Regulations;
 - ii. remuneration is subject to oversight of Board/ Nomination and Remuneration Committee

Only those members of the Audit Committee who are independent directors shall approve Related Party Transactions.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself / herself and abstain from discussion and voting for the approval of the RPT.

In case of a transaction, other than transactions referred to in section 188 of the Companies Act, 2013 and where the Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.



The Audit Committee shall review the statement of all related party transactions submitted by management on a periodical basis.

The agenda of the Audit Committee meeting at which any RPT is proposed to be approved shall disclose the information prescribed under Section IIIB of Chapter III of SEBI Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026.

The Audit Committee shall be entitled to call for additional information/ documents as considered relevant in order to understand the scope of the proposed RPT and recommend an effective control system for the verification of the supporting documents.

C. Omnibus approval by Audit Committee

- i. The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary(ies), which are in the normal course of business and proposed to be undertaken on an arms length basis and shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - a) repetitiveness of the transactions (in past or in future);
 - b) justification for the need of omnibus approval.
- ii. The Committee shall satisfy itself that such approval is in the interest of the Company.
- iii. Such omnibus approval shall specify -
 - 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 / current contracted price and the formula for variation in the price if any;
 - c) The maximum transaction values which can be allowed under omnibus route in one year and/or the maximum period for which the omnibus approval shall be valid;
 - d) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval, transactions which cannot be subject to the omnibus approval by the Audit Committee;
 - e) The maximum value per transaction which can be allowed; and
 - f) Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 (One) crore per transaction.

- iv. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the Company or subsidiary(ies) pursuant to each of the omnibus approval given.



- v. Such omnibus approvals shall be valid for a period not exceeding 1 (one) financial year and shall require fresh approval after expiry of one year.
- vi. The omnibus approval may be sought preferably in a meeting before the beginning of the financial year for which approval of the Audit Committee is sought or at any time prior to entering into such a transaction.
- vii. 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. Omnibus approval shall not be granted for transactions in respect of:
 - a. selling or disposing of the undertaking of the Company.
 - b. Transactions which are either not in ordinary course of business or not on arm's length basis;
 - c. Transactions which are not in the interest of the Company;
 - d. Such other transactions specified under Applicable Law from time to time.
- viii. Any other conditions as the Audit Committee may deem fit.

Any member of the Audit Committee who has interest in any RPTs will recuse himself or herself and abstain from discussion and voting on the approval of the RPTs.

In order to review RPTs, the Audit Committee will be furnished with all relevant material information of the RPTs, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

In determining whether to approve RPTs, the Audit Committee will consider the following factors, among others, to the extent relevant to the RPTs:

- ✓ Name of the related party and the relationship
- ✓ Nature, duration of transaction and particulars of the transaction
- ✓ Material terms including the value, if any
- ✓ Any advance paid or received for the contract or arrangement, if any;
- ✓ The manner of determining the pricing and other commercial terms and whether the terms of the RPT are fair and on an arm's length basis to the Company.
- ✓ Business rationale for such transactions

Subject to the applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the RPTs, which are not in accordance with this Policy.

B. Board Approval

Prior approval of the Board of Directors shall be obtained for the following events where:

- Transaction is covered under section 188 of the Act except any transactions entered into by the Company in its ordinary course of business and on arm's length basis; or



- The Audit Committee determines that a RPT should be brought before the Board; or
- The Board in any case elects to review any RPT suo moto; or
- The RPT needs to be approved by the Board under any law for the time being in force.

Where it is mandatory under the Applicable Law for the Board to approve a RPT or the Audit Committee determines that a RPT should be brought before the Board, then such RPTs shall be approved by the Board .

Any Material RPT as referred by the Audit Committee for Shareholder's Approval shall be placed before the Board for its consideration and approval.

Any member of the Board who has any interest in any RPT then the interested director shall not be present at the Meeting, during discussions and voting on such RPT.

The agenda of the Board meeting at which any Related Party Transaction is proposed to be approved shall disclose the information prescribed in Rule 15(1) of Companies (Meeting of Board and its Power) Rules, 2014 and such information as placed before the Audit Committee.

C. Shareholder's Approval

All Material RPTs and subsequent Material Modifications thereto or cases where the Audit Committee and the Board determines that an RPT should be brought before the shareholders, prior shareholders' approval shall be obtained for such transactions, by way of ordinary resolution.

A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Shareholder of the Company if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds the relevant materiality threshold for material related party transactions of the Company as specified in para 2 of this Policy read with Schedule XII of the Listing regulations.

Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

The omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

The Related Party concerned or interested in any contract or arrangement to be entered into by the Company shall not vote on such ordinary resolution irrespective of whether the concerned person / entity is a Related Party to the particular transaction or not.



Approval will not be required if the transaction is entered into by the Company with any of its wholly owned subsidiary(ies) or between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as part of the explanatory statement as specified in the SEBI Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026.

8. Ratification of RPTs

Ratification by Audit Committee

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The members of the Audit Committee, who are independent directors, may ratify the Related Party Transactions within three (3) months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier. Ratification is subject to the following conditions as specified in the Listing Regulations:

- The value of the transaction concerned, whether entered into individually or taken together with previous transaction, with each related party, during a financial year shall not exceed rupees 1crore.
- Such transaction is not a material related party transaction within the meaning of regulation 23(1) of Listing Regulations.
- Rationale for inability to seek prior approval for such a transaction shall be placed before the Audit Committee at the time of seeking ratification.
- Details of ratification shall be disclosed along with the half-yearly disclosure of related party transactions under regulation 23(9) of Listing Regulations.
- any other condition as specified by the audit committee.

The failure to seek ratification of the Audit Committee shall render related party transactions voidable at the option of the Audit Committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

Ratification by the Board/ shareholders

For transactions that are required to be approved by the Board, but not approved prior to its consummation, the same may be ratified by the Board within a period of three (3) months from the date of entering into such a transaction subject to its value not exceeding Rs. 1 Cr . Furthermore, if the said transaction is a material related party transaction as per section 188 of the Companies Act 2013 or a material modification thereto, then the same will also be required to be placed before the shareholders for their approval.



If such a contract or arrangement is not ratified by board or shareholders, it shall be voidable at the option of the Board/ 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.

9. Register

The Company shall maintain Registers of RPTs to which section 188 of the Companies Act, 2013 applies, in Form MBP 4 or such other form as may be prescribed under the Applicable Laws.

10. Disclosures and Amendment

The Related Party Transactions, Material Related Party Transactions, agreements, arrangements, contracts and Policy will be disclosed from time to time as required under the Act (as amended from time to time), Listing Regulations (as amended from time to time) and as per the applicable Indian Accounting Standards.

The Company shall disclose the Policy on Materiality of RPTs and on dealing with RPTs on its website and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall place all the information as specified by the SEBI from time to time for review of the Audit Committee while seeking prior approval of the RPTs.

The Company shall provide all the information as specified by the SEBI and the Act from time to time in the explanatory statement to the notice being sent to shareholders seeking their approval for proposed RPTs.

The Company shall provide half-yearly disclosure of the Related Party Transactions to stock exchange(s) where the Company's securities are listed, including details of ratification, on the date of publication of its standalone and consolidated financial results, pursuant to regulation 23(9) of the listing regulations, in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.

The Company is required to disclose following Related Party Transactions covered under Section 188 of the Act, in form AOC-2 to be annexed with Board's Report:

- All Material Related Party Transactions; and
- All Related Party Transactions not entered into at an arm's length basis

The Company shall also make relevant disclosure with respect to related party transaction framework in the quarterly integrated filing (governance) under regulation 10(1A) of the Listing Regulations.

The rights to interpret/amend/modify this Policy vests with the Audit Committee/ Board of Directors of the Company. Further, this Policy shall be reviewed by the Audit Committee/ Board of Directors at least once every 3 (three) years and updated accordingly.

Any matter not provided for in this Policy shall be handled in accordance with Applicable Laws, and



the Company's Articles of Association.

This Policy is in conformity with Applicable Laws. In case any clause /provision of this Policy is inconsistent with Applicable Laws, the provisions of such Laws shall prevail. Any subsequent amendment / modification in the Applicable Laws shall automatically apply to this Policy.

Place: Kolkata

Date: 20th March, 2026

This Policy has been reviewed, amended and updated by the Audit Committee and approved by the Board at their respective meetings held on 20th March, 2026 and has been made effective immediately.