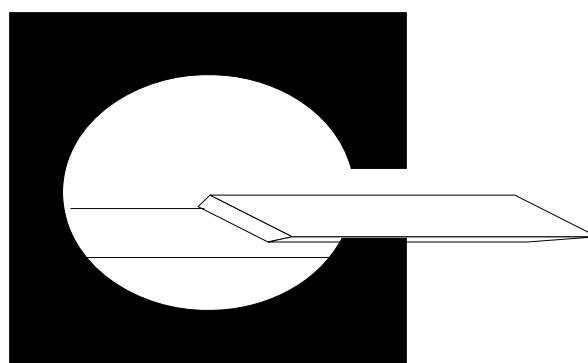


**POLICY ON MATERIALITY OF RELATED PARTY  
TRANSACTIONS AND ON DEALING WITH RELATED  
PARTY TRANSACTIONS**



**GOEL**

**Shri Bajrang Alloys Limited**

**Regd. Off: 521/C, Urla Industrial Complex, Urla,**

**Raipur-493221 (Chhattisgarh)**

**CIN: L27103CT1990PLC005964**

## OBJECTIVE:

**Shri Bajrang Alloys Limited (SBAL)** is governed, amongst others, by the rules and regulations framed by the **Securities and Exchange Board of India (SEBI)**. SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with the Related Party Transactions.

Accordingly **SBAL** has formulated this policy on materiality of Related Party Transactions and on dealing with the Related Party ("**Policy**"). This policy regulates all transactions between the Company and its Related Parties.

The Audit Committee will review the policy periodically and may amend the same from time to time and proposed the same to the Board for approval.

## DEFINITIONS:

- a. **Act:** "Act" means the Companies Act, 2013 including any amendment or modification thereof.
- b. **Arm's Length Transaction:** "Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated.
- c. **Associate:** "Associate" means a company as defined under Section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements".
- d. **Audit Committee:** "Audit Committee" means the Committee of the Board formed under Section 177 of the Act and Clause 49(III) of the Listing Agreement (as amended from time to time).
- e. **Body Corporate:** "Body Corporate" means an entity as defined in Section 2(11) of the Companies Act, 2013.
- f. **Clause 49:** "Clause 49" means the Clause 49 of the Listing Agreement, as entered into by the Company with the stock exchanges including any amendment or modification thereof.
- g. **Director:** "Director" means a person as defined in Section 2(34) of the Companies Act, 2013.
- h. **Employees:** "Employees" shall mean the employees and office-bearers of the Company, including but not limited to Whole Time Directors.
- i. **Key Managerial Personnel:** "Key Managerial Personnel (KMPs)" shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed thereunder.
- j. **Material Related party Transactions:** "Material Related Party Transactions" shall mean a transaction as defined as material in Clause 49(VII)(C) of the Listing Agreement or any other law or regulation including any amendment or modification thereof, as may be applicable.

- k. **Ordinary course of business:** “Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.
- l. **Relative:** “Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- m. **Related party:** “Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Clause 49(VII) (B) of the Listing Agreement including any modification or amendment thereof, as may be applicable.
- n. **Related party transactions:** “Related Party Transactions (RPTs)” shall mean such transactions as specific under Section 188 of the Act and the rules made thereunder and Clause 49(VII)(A) of the Listing Agreement including any amendment or modification thereof, as may be applicable.
- o. **Subsidiary:** “Subsidiary” means a company as defined in Section 2(87) of the Companies Act, 2013.
- p. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable law for the time being in force.

#### **RELATED PARTY TRANSACTIONS UNDER THE POLICY**

Any transfer of resources, services or obligations between the company and a related party, will be covered under ‘**Related Party Transaction**’ as per this policy, whether or not, there is an element of consideration or price.

**Prohibited Related Party Transactions:** Any transaction with a Related Party can be undertaken by the Company only if it is in compliance with Section 188 of the Companies Act, 2013 and Rules made thereunder, under Clause 49 of Listing Agreement.

#### **REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:**

Approval of related party transactions

##### **A. Audit Committee:**

- i. All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction.
- ii. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.
- iii. Any member of the Committee who has potential interest in any related party transaction is required to rescue himself and abstain from discussion and voting on the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm’s length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

- iv. The Audit Committee may grant omnibus approval for the related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under clause 49 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- v. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of the policy.
- vi. A related party transactions entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

**B. Board of Directors:**

In case any related party transactions are referred by the Company to the Board for its approval due to transactions being (i) not in the ordinary course of business, or (ii) not at arm's length price, the Board shall consider such factors as, nature of transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on approval of that particular related party transaction.

**C. Shareholders:**

If a related party transaction is (i) a material transaction as per Clause 49, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain threshold limits as prescribed under the Companies Act, 2013, it shall require shareholders approval by means of special resolution. In such a case, any member of the Company who is a related party shall not vote on resolution passed for approving such related party transaction.

**D. Reporting:**

Every contract or arrangement, which is required to be approved by the Board / Shareholders under this policy, shall be referred to in the Boards' Report to the Shareholders along with justification for entering into such contract or arrangement.

**E. Limitation and Amendment:**

In the event of any conflict between the provisions of this policy and of the Act/ Listing Agreement/ any other statutory enactments, the provisions of such Act/ Listing Agreement/ statutory enactments, shall prevail over this policy. Any subsequent amendment/ modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this policy.