



RELATED PARTY TRANSACTIONS (RPT) POLICY

Applicable w.e.f. November 11, 2022

I. INTRODUCTION

The Company may enter into transactions with related parties to leverage scale, size and drive operational synergies while ensuring that such transactions are in compliance with the applicable legal requirements. The Board of Directors of the Company ("the Board"), on the recommendation of the Audit Committee, has adopted this Policy and associated procedures for regulating related party transactions, in line with the requirements of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]. 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 mechanism of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of such transactions. This Policy has been formulated in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of Section 177 and 188 of the Companies Act, 2013 ("the Act") & relevant rules made thereunder as amended from time to time to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

II. OBJECTIVE

The Company recognizes that Related Party Transactions ("RPT") may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the best interest of the Company and its shareholders. This policy is framed primarily to ensure the governance and reporting of transactions between the Company and its Related Parties. The policy is also prepared for the identification and regulation of the RPTs keeping in view the provisions of the Act read with the rules made thereunder and SEBI Regulations.

III. DEFINITIONS

- i. "**Audit Committee**" or "Committee" means the Committee of Board of Directors of the Company constituted under provisions of Section 177 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
- ii. "**Board**" means the Board of Directors of Orissa Bengal Carrier Limited.
- iii. "**Company**" means Orissa Bengal Carrier Limited.
- iv. "**Key Managerial Personnel**" or "**KMPs**" means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder and the SEBI (LODR) Regulations, 2015. The term KMP includes but is not limited to:
 - a. Managing Director or Chief Executive Officer or the Manager or a whole-time Director;
 - b. Company Secretary;
 - c. Chief Financial Officer;
 - d. 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
 - e. such other officer as may be prescribed.
- v. "**Arm's length transaction**" means a transaction between two related parties that is carried on as if they were unrelated, so that there is no conflict of Interest.
- vi. "**Material Related Party Transaction**" means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds the thresholds as defined under the Companies Act, 2013 or the SEBI (LODR) Regulations, 2015.

- vii. "**Material Modification**" of related party transaction 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.
- viii. "**Policy**" means this policy on materiality of Related Party Transactions and dealing with related party transactions.
- ix. "**Related**" or "**Related Party**" means a person or entity:
 - a. which is a related party under Section 2(76) of the Companies Act, 2013, as amended from time to time; or
 - b. which is a related party under the applicable accounting standards;
 - c. which is a related party under Regulation 2(1) (zb) of the SEBI (LODR) Regulations, 2015.
- x. "**Related Party Transaction**" has the meaning assigned to such term under Section 188 of the Companies Act, 2013 or Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015.
- xi. "**Relative**" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under and Regulation 2(1) (zd) of the SEBI (LODR) Regulations, 2015.
- xii. "**Transaction**" with a related party shall be construed to include a single transaction or a group of transactions.

Words and expression used in this policy but not defined herein shall have the meaning ascribed to them in the Companies Act, 2013 and the Rules framed there under and the SEBI (LODR) Regulations, 2015, as amended from time to time.

IV. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS:

A. Identification of related parties:

The Company shall identify and update the list of related parties as per the definition of related parties as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

B. Identification of related party transactions:

The Company shall identify related party transactions as per the definition of related party transaction as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and also determine whether the same are in the ordinary course of business and at arm's length. The Company may seek professional opinion for this purpose, if necessary.

C. Procedure for approving related party transactions:

1. AUDIT COMMITTEE

All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions. Based on the terms and conditions of a transaction, and applicable regulatory requirements, the Audit Committee shall recommend/refer it for the approval of Board of Directors and/or Shareholders.

The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions:

- i. The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

- ii. The Audit Committee shall satisfy itself the need for such omnibus approval and 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 and (c) such other conditions as the Audit Committee may deem fit;

Provided that where the need for related party transaction 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 INR One Crore per transaction;

- iv. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given; and
- v. Such omnibus approvals shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.

2. BOARD OF DIRECTORS

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, all transactions which are not in the ordinary course of business and on arm's length, shall be placed before the Board and/or its Shareholders, as applicable, for approval.

The following transactions with related parties shall also be placed before the Board for its approval:

- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or on arm's length and decides to refer the same to the Board for approval;

- Transactions which are in the ordinary course of business and on arm's length, but which in the view of the Audit Committee requires approval of the Board; and
- Related party transactions which are to be mandatorily approved by the Board under any law.

3. SHAREHOLDERS OF THE COMPANY

All transactions enumerated in the first proviso to Section 188(1) of the Companies Act, 2013, which (a) are not in the ordinary course of business and on arm's length; and (b) exceeding the thresholds laid down in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, shall be approved by the Shareholders.

All material related party transactions which shall need prior approval of the Shareholders of the Company through a Resolution on which, no related party shall vote, whether the entity is a related party to the particular transaction or not.

V. RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL

The following RPTs will not be put up for approval as permitted under law:

- a) transactions between the Company and its wholly owned subsidiary, if any, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
- b) transactions entered into between two wholly owned subsidiaries of the Company, if applicable, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
- c) issue of specified securities on preferential basis subject to compliance of applicable SEBI Regulations;
- d) corporate actions as under as the same are uniformly applicable to all shareholders:
 - Payment / receipt of dividend
 - Sub-division or consolidation of securities
 - Issue of securities as rights or bonus
 - Buy-back of securities

In addition to the above, since the transactions or arrangements mentioned below are specifically dealt under different provisions of the Law/policy of the Company and executed under separate approvals, no approval of Audit Committee will be taken for:

- a) Any RPTs approved by the Nomination & Remuneration Committee and the CSR Committee;
- b) Any transaction by the Company with its employee, who is a related party of the Company, pursuant to the employment terms;
- c) Employer's contribution to Provident Fund / Gratuity / Superannuation etc. to a recognized Trust as part of its statutory obligations; and
- d) Reimbursement of expenses at actuals based on supporting documents.

VI. ACTIONS TO BE TAKEN IN CASE ANY RELATED PARTY TRANSACTION IS NOT APPROVED AS PRESCRIBED BY THIS POLICY:

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 Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take such action as it deems appropriate.

Where the Audit Committee determines not to ratify a related party transaction that has been commenced without proper approval, it may direct additional actions including, but not limited to, termination of the transaction or seek the approval of the Board or Shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has the authority to modify or waive any procedural requirements of this Policy.

VII. DISCLOSURE(S)

- a. Details of all Material Related Party Transactions shall be disclosed to the Stock Exchanges on a quarterly basis along with the compliance report on corporate governance.
- b. The Company shall submit within 15 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

The Company shall make above disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

- c. The Company shall disclose this Policy on its website and provide the weblink in the Annual Report. In addition to the disclosures required under the Accounting Standards, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company as part of the Board's Report.

VIII. AMENDMENTS TO THE POLICY

This Policy shall deem to have become effective from November 11, 2022.

Any amendment or modification in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Rules, Regulations and directives issued under the respective statutes and any other applicable provision relating to the remuneration/compensation/commission, etc. shall automatically be applicable to this Policy.

IX. REVIEW

The Audit Committee of the Company shall review this Policy from time to time, but at least once every three years, and may recommend amendments to the same for approval of the Board. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

X. COMMUNICATION

This Policy will be communicated to all Directors, KMPs and Members of the Management Committee and other concerned persons of the Company.