

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

The Board of Directors of Binny Limited (the company) in pursuance of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations 2015 and with the requirements of Section 188 of the Companies Act, 2013 and Rules thereunder, has formulated Policy on Related Party Transactions (the policy) to regulate the transaction between the company & the related party.

The Board of the Company has adopted the Policy and associated procedures with regard to the review, approval and reporting of Related Party Transactions. In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc. The objective of the policy is to ensure proper approval & reporting of the related parties. The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions.

The Board of Directors of the Company ("Board") on recommendation of the Audit Committee of the Company ("Audit Committee") shall review the Policy once in three years and may amend the same from time to time.

DEFINITIONS:

Arm's length transaction ('ALP') means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Audit Committee means committee of Board of Directors of the Company.

Board : Board of Directors of the Company

Key Managerial Personnel ("KMP"): As defined under section 2(51) of the Companies Act 2013 and rules made thereunder

Material Related Party Transaction ("MRPT"): Related Party Transaction / Contract to be entered into individually or taken together with previous RPTs during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements.

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(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Related Party” means an entity which is a related party as defined in Section 2(76) of the Companies Act, 2013 or if such entity is related party under the applicable Accounting Standards

“Related Party Transaction” (RPT) means –

such transactions directly or indirectly involving any Related Party as specified under Section 2(76) read with Section 188 of the Act, or Rules prescribed there under and Regulation 2(zc) of the SEBI LODR including any amendment or modification thereof, as may be applicable.

Related Party Transaction shall be construed to include a single transaction or a group of transactions in a contract.

Relatives : As defined under section 2(77) of the Companies Act 2013

Identification of Related Parties :

Every Director and Key Managerial Personnel is responsible for providing notice to the Audit/Board Committee of any potential RPTs involving him or her or his or her Relative, including any additional information about the Transaction that the Board/Audit committee may reasonably request. The Board/Audit Committee will determine whether the Transaction does in fact, constitute a RPT requiring compliance with the Policy.

POLICY STATEMENT:

APPROVAL OF RELATED PARTY TRANSACTIONS

Audit Committee:

All RPTs must be reported to the Audit Committee. All RPTs require prior approval of the Audit Committee. If the Audit Committee approves any transaction, it shall forward to the Board for their approval.

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant prior omnibus approval for RPTs which are repetitive in nature and are in the ordinary course of business and satisfy the Arm’s Length basis, subject to the compliance of conditions contained in Regulation 23 (3) of the Listing Regulations 2015.

Board of Directors :

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm’s length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board for such contract or arrangement.

Shareholders:

All MRPTs, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders through special resolution and no related party shall vote to approve such resolution

All the transactions, other than the MRPTs, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders.

Disclosures:

This policy shall be displayed on the web site of the Company and a web link of it shall be mentioned in the Annual Report. Details of any MRPTs shall be disclosed to the stock exchange quarterly along with the compliance report on corporate governance. RPTs with justification shall be disclosed in the Directors Report.

Amendment:

Any subsequent amendment in the Listing Regulations 2015 and/or applicable laws in this regard shall automatically apply to this Policy.