

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

The Board of Directors of Binny Limited (the company) in pursuance of Clause 49 of the Equity Listing Agreement with the Stock Exchange 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.

Based upon the recommendation of the Audit Committee, the policy shall be amended/ reviewed from time to time. 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.

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.

Related Party means as defined in Section 2(76) of the Companies Act, 2013, Clause 49 of the Listing Agreement and applicable Accounting Standard.

"Related Party Transaction" (RPT) means –

- for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188; and includes any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

Relatives : As defined under section 2(71) 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 Clause 49 of the Listing Agreement.

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 the Related Parties shall abstain from voting on such resolutions.

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 Agreement and/or applicable laws in this regard shall automatically apply to this Policy.