BARAK VALLEY CEMENTS LIMITED

POLICY ON MATERIALTY OF RELATED PARTY TRANSACTION & ON DEALING WITH RELATED PARTY TRANSACTION

CONTENTS

1. PREAMBLE

The Board of Directors (the "Board") of Barak Valley Cements Limited (the "Company" or "BVCL") has in accordance with Companies Act, 2013 (the "Act") read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') has adopted this policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations.

2. OBJECTIVE

The objective of this Policy is to set out:

(a) the materiality threshold limits for related party transactions,

(b) define material modification and

(c) the manner of dealing with and disclosing the transactions between the Company and its related parties as required under the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

3. DEFINATIONS

3.1. **"Related Party"** shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2. **"Related Party Transactions**" shall have the meaning as defined under Regulation 2(1) (zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or as envisaged in Section 188(1) of the Act.

3.3. **"Material modifications"** In relation to a Related Party Transaction approved by the Audit Committee/Board or Material RPT approved by the Shareholders, as the case may be, material modifications mean any variation having an impact on the monetary limits already approved by the Audit Committee/Board or Shareholders, as the case may be, exceeding: 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may b**e.**

3.4. **Materiality of Related Party Transaction(s)** means Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed the thresholds specified in Schedule XII under the Listing Regulations.

3.5 **"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.

4. MATERIALITY THRESHOLD

4.1 Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through ordinary resolution will be required and no Related Party shall vote to approve such resolution, whether the entity is a Related Party to the particular transaction or not.

4.2 The Company has fixed its materiality threshold on the basis of regulation 23(1) and 23(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as specified under: -

4.2.1. Transaction involving Payment made to a Related Party with respect to brand usage or royalty:

Transaction involving payment 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 transaction during a financial year **exceeds 5% of the annual consolidated Turnover** of the company as per the last audited financial statements of the company.

4.2.2. Other Transaction with Related Parties:

Any other Transaction shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

Consolidated Turnover of Company Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the Company above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the Company above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

5.1 Identification of related parties

The Company shall identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5.2 Identification of related party transactions

The Company shall identify related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company shall determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

6. APPROVALS

5.1 Approval of Audit Committee:

5.1.1 All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee as required under and subject to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5.1.2 Related Party Transactions and subsequent material modifications, to which a subsidiary is a Party but company is not a party shall require prior approval of Audit Committee 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 threshold limit as mentioned above.**

5.1.3 The Audit Committee may grant omnibus approval for Related Party Transaction(s) Proposed to be entered by the company subject to some conditions as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5.1.4 Omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

5.2. Approval of the Board:

5.2.1. As per the provisions of Section 188 of the Act, all kinds of Contracts/ Arrangements specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are to be placed before the Board for its approval.

5.2.2. Any member of the Board who is interested or has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

5.3. Approval of the Shareholders:

5.3.1 As per the provisions of Section 188 of the Act, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed under the said section and the rules made thereunder shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all persons/entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the person/entity is a party to the particular transaction or not.

5.3.2 All the material related party transactions including any subsequent material modification(s) thereof, with related parties (other than transactions with wholly-owned subsidiary(ies) or the transactions between wholly owned subsidiary(ies) of the Company, shall be placed before the shareholders for their prior approval by way of Ordinary Resolution. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

5.3.3 For Related Party Transactions of unlisted subsidiaries of a company, the prior approval of shareholders of the company shall suffice.

7. DISCLOSURES

7.1 The Company shall disclose, in the Board's report, transactions prescribed in Section 188 of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

7.2 The Company shall submit to the stock exchanges disclosures of related party transactions within the timeline as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7.3 As prescribed under Regulation 46(2)(g) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy shall be disclosed on the Company's website viz. www.barakcement.com.

8. AMMENDMENTS

Any subsequent amendment /modification in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Act or any other governing Act / Rules / Regulations or re- enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

9. REVIEW

This Policy will be reviewed as and when required but atleast once in three years.

This Policy was initially approved by the Board of Directors on November 14, 2014. The Policy was thereafter modified on May 30, 2024, and subsequently revised and approved by the Audit Committee and the Board of Directors at their respective meetings held on May 27, 2026.