



B. S. SPONGE LIMITED

Policy on Materiality of Related Party Transactions

1. INTRODUCTION

The Board of Directors of B. S. Sponge Limited (“**Company**”) (hereinafter referred to as the “**Board/Board of Directors**”) has adopted this policy on related party transactions (“**Related Party Transaction(s)/RPT(s)**”) as required under Section 188 of the Companies Act, 2013 (“**Act**”) and rules thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereunder (“**Listing Regulations**”).

The Securities and Exchange Board of India (“**SEBI**”) has notified the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, (“**Amendment Regulations, 2024**”), which came into force on 12th December 2024.

Under the Amendment Regulations, 2024, SEBI has *inter alia* amended Regulation 2 & 23 of the Listing Regulations that deals with the RPTs.

SEBI vide circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated 26 June 2025, has issued Industry Standards for “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” (“**Industry Standards**”), which supersede the Circular no. SEBI/HO/CFD/CFD-PoD2/P/CIR/2025/18 dated 14th February, 2025, and Circular no. SEBI/HO/CFD/CFDPoD-2/P/CIR/2025/37 dated 21st March 2025 and is applicable with effect from 1st September 2025.

The said Industry Standards have been modified by the circular issued by SEBI dated 13th October 2025 (“**SEBI Circular**”). If a particular Industry Standard or any part thereof becomes inconsistent with subsequent changes in the Listing Regulations and/or SEBI Circular, the provisions of the Listing Regulations and/or the SEBI Circular shall prevail.

SEBI has, vide the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 *inter alia* amended Regulation 23 of the Regulations with effect from 19th December 2025, that deals with RPTs. In view of the aforesaid, this Policy has been amended in accordance with the provisions of the said amendments in the Listing Regulations and the Industry Standards.

The policy on materiality of Related Party Transactions (“**Policy**”) envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with applicable the laws and regulations.

Based on the recommendations of the audit committee of directors (“**Audit Committee**”) of the Company, the Policy has been adopted by the Board of the Company in the meeting held on September 26, 2026. Going forward, the Audit Committee would review, amend and recommend the Policy, as and when required, subject to the approval of the Board. In addition to the above, this Policy shall be reviewed by the Board at least once every three years and updated accordingly.

2. APPLICABILITY

This Policy shall be applicable to Company and its subsidiary.

This Policy has been enacted to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

3. OBJECTIVES

This Policy is framed as per the requirement of Regulation 23 of the Listing Regulations to ensure the proper approval and reporting of transactions between the Company and its related parties as determined under Listing

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Regulations, Companies Act, 2013, as amended and rules prescribed thereunder, and any other laws and regulations as may be applicable to the Company.

This Policy regulates all transactions between the Company and its Related Parties. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

The objective of this Policy is to set out

- (a) identification of the Related Parties;
- (b) the materiality threshold for related party transactions;
- (c) material modification of related party transactions; and
- (d) the manner of dealing with the transaction between the Company and its related parties based on the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR”) and any other laws and regulations as may be applicable to the Company.

All Related Party Transactions should be referred to the Audit Committee of the Company for prior approval. The Audit Committee shall also approve any subsequent modifications to the Related Party Transactions. The Audit Committee may also grant omnibus approval for certain categories of transactions, which shall be valid for period not exceeding one financial year and shall require fresh approval for the next financial year.

The Company is required to disclose in its annual financial statements and Board's report, certain transactions between the Company and related parties as well as Policy relating thereto. This Policy shall be disclosed on the website of the Company and a web link there to shall be provided in the annual report.

4. DEFINITIONS

Definition of some of the key terms used in this policy are given below:

- i. **“Applicable Law(s)”** includes (a) the Act (b) the Listing Regulations, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.
- ii. **“Arm’s Length Transaction/Arm’s Length Basis”** means a transaction between the Company and its related parties that is conducted as if they were unrelated and at a fair value, so that there is no conflict of interest.
- iii. **“Associate Company”** shall have the meaning as defined in Section 2(6) of the Act.
- iv. **“Audit Committee”** or **“Committee”** means the committee of the Board formed under Section 177 of the Act and Regulation 18 of the Listing Regulations.
- v. **“Director”** means a director on the Board of the Company.
- vi. **“Key Managerial Personnel”** or **“KMP”** means key managerial personnel as defined under the Act.
- vii. **“Material Modification”** means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25 % or more in value of the transaction already approved by the Audit Committee and/or Board and/or shareholders, as the case may be, or by which the transaction ceases to be in ordinary course and/or on Arm’s Length Basis or such other parameter as may be determined by the Audit Committee from time to time.

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- viii. **“Material Related Party Transaction”** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand (1000) crores or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. For this purpose, any transaction involving payments made to Related Party with respect to brand usage or royalty, either individually or taken together with previous transactions during a financial year, exceeding five percent (5%) of the annual consolidated turnover of the Company as per the Company’s last audited financial statement, shall also be considered as Material Related Party Transaction.
- ix. **“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 its memorandum of association (“**MoA**”) & articles of association (“**AoA**”). The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines as and when required.
- x. **“Related Party(ies)”** has the meaning as assigned to it under the Act and Regulation 2(1) (zb) of the Listing Regulations, as amended from time to time. However, (a) any person or entity belonging to the promoter or promoter group of the Company, or (b) any person or entity holding equity shares of 10% or more in the Company either directly or on a beneficial interest basis as provided under the Act, at any time, during the immediately preceding financial year, shall be deemed to be a related party. The term "Relative", with reference to any person, means anyone who is related to another, if—
- a) sale, purchase or supply of any goods or materials;
- b) they are members of a Hindu Undivided Family;
- c) they are husband and wife; or
- d) a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-
- i) father (includes step-father)
- ii) mother (includes the step-mother)
- iii) son (includes the step-son)
- iv) son’s wife
- v) daughter
- vi) daughter’s husband
- vii) brother (includes the step-brother)
- viii) sister (includes the step-sister)
- xi. **“Related Party Transaction”** or “**RPT**” has the meaning prescribed to it under Regulation 2(1) (zc) of the Listing Regulations and shall include transactions given in clause (a) to (g) of Section 188(1) of the Act. "Transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.
- xii. **“Stock Exchanges”** means the stock exchanges where the specified securities of the Company are listed.

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- xiii. **“Subsidiary company” or “Subsidiary (ies)”** means a company as defined under Section 2(87) of the Act.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act read with the rules made thereunder, the Listing Regulations and any other applicable laws or regulations. In the event of any inconsistency or conflict between a term as defined in this Policy and as prescribed under the Listing Regulations, the Act or accounting standard-24 (**“AS-24”**) (as applicable), the definition under such relevant regulatory framework would prevail.

5. POLICY

Identification of Related Parties

- i. Each Director and KMP shall disclose to the company secretary in form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all persons, entities, firms in which he/she is interested, whether directly or indirectly. The Company shall ensure that no transaction is entered into with any Related Party without requisite approvals.
- ii. The company secretary shall compile the information received from all concerned and send the information about such Related Parties to the respective functional heads (i.e. accounts, finance, legal, human resources, marketing etc.), business heads and any other concerned person for their information and any necessary action.
- iii. The concerned functional / business head shall forward to the company secretary and chief financial officer, the details of any proposed Related Party Transaction with the draft terms and conditions or other related information and certifying that such transactions are at Arm's Length Basis and in the Ordinary Course of Business. The company secretary or the chief financial officer, upon receipt of such information, will furnish the same to Audit Committee for its approval and further action, if any.
- iv. Any proposed modification(s) in the Related Party Transactions already entered into shall be intimated to the company secretary and chief financial officer by the functional/ business head, which shall be placed before the Audit Committee for its prior approval in accordance with this Policy.
- v. A transaction with a Related Party shall be considered material only if the transactions(s) exceed the prescribed limit as defined under sub-regulation (1) and (1A) of regulation 23 of the Listing Regulations. Any other threshold limits / amendment to the aforementioned threshold limits as may be prescribed under the Listing Regulations or the Act shall be applicable.

Approval of the Audit Committee

- i. All the Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee.
- ii. Only those members of the Audit Committee, who are independent Directors, shall approve Related Party Transactions.
- iii. Where the Audit Committee does not approve the Related Party Transactions, other than prescribed in Clauses (a) to (g) of Section 188(1) of the Act, it shall make its recommendations to the Board for approval.
- iv. The Audit Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down under Section 177 of the Act and Regulation 23 of the Listing Regulations. Additionally, subject to the Act, the Audit Committee may also grant omnibus approval for Related Party Transactions of unforeseen nature not exceeding Rs.1,00,00,000 per transaction.

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- a) The Audit Committee shall lay down the criteria/framework and guidelines for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature (either in the past or in the future);
 - b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
 - c) The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given;
 - d) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year
 - e) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company
- v. While assessing a proposal put up before the Audit Committee for approval, the Audit Committee shall review the following documents / seek the following information from the management in order to determine if the transaction is in the Ordinary Course of Business and at Arm's Length Basis or not:
- a) Type, nature, material terms and particulars of the proposed transaction;
 - b) Name of the Related Party and its relationship with the Company or its Subsidiary, including nature of its concern or interest (financial or otherwise);
 - c) Tenure of the proposed transaction (particular tenure shall be specified);
 - d) Value of the proposed transaction;
 - e) The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year that is represented by the value of the proposed transaction (and for an RPT involving a Subsidiary, such percentage calculated on the basis of the Subsidiary's annual turnover on a standalone basis shall be additionally provided);
 - f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its Subsidiary:
 - details of the source of funds in connection with the proposed transaction;
 - where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances or investments:
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - g) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - h) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- vi. The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

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- vii. In case of transactions, other than transactions referred to in Section 188 of the Act and where the Audit Committee does not approve any transaction, it shall make its recommendation to the Board.
- viii. Further, any Related Party Transaction entered into by a Director/ officer of a Company involving an amount not exceeding Rs. 1,00,00,000 which has been undertaken without obtaining the prior approval of the Audit Committee, or which is not ratified within 3 (three) months of entering into such transaction, shall be voidable at the option of the Audit Committee and if the contract or arrangement is with a Related Party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.
- ix. A Related Party Transaction to which a subsidiary is a party but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the Subsidiary.
- x. Pursuant to Regulation 23 of the Listing Regulations read with Rule 6A of the Companies (Meetings of Board and its Powers) Rule, 2014, as amended, the threshold limits for Related Party Transactions (other than wholly-owned subsidiaries) for granting omnibus approval by the Audit Committee for each financial year is as under:

S. No.	Criteria	Amount
1.	Maximum value of Related Party Transaction (other than wholly-owned Subsidiaries), in aggregate, which can be allowed under the omnibus approval route in a year.	Up to 10 % of annual consolidated turnover of the Company as per the last audited financial statement.
2.	Maximum value per Related Party Transaction (other than wholly-owned Subsidiaries) which can be allowed.	Up to 10 % of annual consolidated turnover of the Company as per the last audited financial statement.

For the sake of clarity, the Audit Committee may grant omnibus approval for Related Party Transactions with wholly owned Subsidiaries exceeding the threshold limits prescribed above, subject to compliance with the provisions of the Act and other applicable law.

- xi. The 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.
- xii. However, in case of Related Party Transactions, which cannot be foreseen and where the above details are not available, the Audit Committee may grant omnibus approval provided the value does not exceed INR 1 crore per transaction.
- xiii. 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.
- xiv. Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year
- xv. Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction shall abstain from discussion and voting on such Related Party Transaction.

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Approval of Board of Directors

- i. The following Related Party Transactions which are not in the Ordinary Course of Business or are in the Ordinary Course of Business but are not on Arm's Length Basis shall require prior approval of the Board:
 - a) Sale, purchase or supply of any goods or materials; or
 - b) Selling or otherwise disposing of, or buying, property of any kind; or
 - c) Leasing of property of any kind; or
 - d) Availing or rendering of any services; or
 - e) Appointment of any agent for purchase or sale of goods, materials, services or property; or
 - f) Such Related Party's appointment to any office or place of profit in the Company, its subsidiary or associate company; or
 - g) Underwriting the subscription of any securities or derivatives thereof, of the Company.
- ii. In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:
 - a) Transactions which may be in the Ordinary Course of Business and at Arm's Length Basis, but which, as per the Policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
 - b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in
 - c) the Ordinary Course of Business and/or at Arm's Length Basis and decides to refer the same to the Board for approval;
 - d) Transactions which are in the Ordinary Course of Business and at Arm's Length Basis, but which in Audit Committee's view requires Board approval.
 - e) Material RPTs and subsequent Material Modifications to such transactions, which are intended to be placed before the shareholders for approval.
- iii. All the Material Related Party Transactions shall be considered and approved by the Board before the same are considered by the shareholders for their approval except for (i) those transactions which are between the Company and its wholly-owned Subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval; and (ii) transactions entered into between two wholly-owned Subsidiaries of the Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- iv. Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.
- v. Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a

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- vi. Related Party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

Approval of shareholders

- i. Related Party Transactions set out above which require Board approval and exceed the limits as prescribed under Section 188 of the Act, shall be placed for shareholders' approval by way of a resolution, except for transactions which are between the Company and its wholly-owned Subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval. Any shareholder which is a Related Party in the context of the proposed Related Party Transaction shall abstain from voting on the resolution concerning such Related Party Transaction.
- ii. Subject to the provisions of Regulation 23(4) of the Listing Regulations, all Material Related Party Transactions require the prior approval of the shareholders' and their approval will be sought by way of a resolution. No Related Parties shall vote to approve the Material Related Party Transactions, irrespective of whether the entity is a party to the particular transaction or not, provided that (i) the requirements under this sub-para shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, as amended subject to the event being disclosed at the Stock Exchanges within 1 (one) day of the resolution plan being approved; and (ii) prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which a listed Subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of the Listing Regulations are applicable to such listed subsidiary.
- iii. The requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly-owned Subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iv. The requirement for seeking shareholders' approval shall not be applicable to transactions between the two wholly owned Subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- v. The following information shall be provided to the shareholders while seeking their approval for RPTs:
 - a) A summary of the information provided by the management of the Company to the Audit Committee;
 - b) Reasons/justification for why the proposed transaction is in the interest of the Company;
 - c) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under:
 - details of the source of funds in connection with the proposed transaction;
 - where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure
 - d) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

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- e) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- vi. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- vii. Any other relevant information or such information as may be prescribed under the Listing Regulations.

Evaluation process of Related Party Transactions

- i. To approve a Related Party Transaction, the Audit Committee/ Board/ shareholders, shall be provided all relevant material information of such transaction, including the terms and such other details as required under the Act, the Listing Regulations or by the Audit Committee/ Board, as the case may be. While approving a Related Party Transaction, the Audit Committee/ Board will consider the following factors, among others, to the extent relevant:
 - a) whether the terms on which Related Party Transaction is proposed are fair and on Arm's Length Basis to the Company;
 - b) whether the Related Party Transaction would affect the independence of an independent Director;
 - c) whether the Related Party Transaction includes any potential reputational risk that may arise as a result of or in connection with the proposed transaction; and
 - d) whether the Related Party Transaction would present conflict of interest for any Director or KMP of the Company.
 - e) whenever there is any doubt with regard to transactions with Related Parties and/or the applicable corporate governance requirements, the Audit Committee/ Board shall be entitled to seek a legal opinion/clarification for the same.
- ii. The Audit Committee shall consider all relevant facts and circumstances regarding a Related Party Transaction placed before it.
- iii. In the event any Director, KMP or any other employee becomes aware of any Related Party Transaction that has been omitted to be approved by the Audit Committee/ Board/ shareholders or is in deviation of this Policy, such person shall promptly notify the company secretary of the Company, of such transaction, who shall ensure that such transaction is brought to the notice of the Audit Committee or the Board, as applicable, at the earliest.
- iv. The Audit Committee/ Board shall evaluate such transactions and may decide as it considers appropriate, subject to the Act and the Listing Regulations, necessary action to be taken, including ratification, revision or termination of the Related Party Transaction.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- i. 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 of the relevant facts and circumstances regarding the RPTs, 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 RPTs to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

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- ii. Independent Directors in the Audit Committee may ratify Related Party Transactions within 3 months from entering the transaction or in the immediate next meeting, whichever is earlier subject to value of the ratified transaction(s) with a Related Party, whether entered into individually or taken together, during a financial year is less than Rs. 1 crore in a financial year, transaction is non-material under Regulation 23(1) of the Listing Regulations, rationale for not being able to seek prior approval shall be placed before the Audit Committee during ratification and additional conditions may be specified by the Audit Committee for the ratification.

7. FAILURE TO SEEK RATIFICATION OF THE AUDIT COMMITTEE SHALL RENDER THE TRANSACTION VOIDABLE AT THE OPTION OF THE AUDIT COMMITTEE

- i. Further, in case any transaction (not being a specified transaction under the Act between the Company and its wholly owned Subsidiary) involving any amount not exceeding ₹ 1 crore is entered into by a Director or officer of the Company without obtaining the approval of the Audit Committee and which is not ratified by the Audit Committee within 3 months from the date of the transaction, such transaction will be voidable at the option of the Audit Committee, and if the transaction is with a Related Party to any Director or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.
- ii. In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the Related Party, etc. In connection with any review/approval of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.
- iii. Further, if any contract / arrangement is entered into by a Director or any other employee without obtaining the consent of the Board / shareholders (by a resolution) under Section 188(1) of the Act, and if it is not ratified by the Board / shareholders, as the case may be, within 3 months from the date on which such contract / arrangement was entered into, such contract / arrangement shall be voidable at the option of the Board / shareholders, as the case may be, and if the contract / arrangement is with a Related Party to any Director, or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.
- iv. Without prejudice to anything contained in Section 188(3) of the Act, it shall be open to the Company to proceed against a Director or any other employee who has entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract / arrangement.

8. DISCLOSURE

- i. In terms of the provisions of Section 134(3)(h) of the Act, Related Party Transactions shall be disclosed in the Board's report in the prescribed form.
- ii. Details of all Material Related Party Transactions shall be disclosed in accordance with Regulation 27 of the Listing Regulations.
- iii. Details of all Related Party Transactions on a consolidated basis, shall be disclosed to the Stock Exchanges, every six months on the date of publication of the Company's standalone and consolidated financial results in the format specified in the relevant accounting standards and publish the same on its website.
- iv. This Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall also be provided in the annual report of the Company.

REGISTERED OFFICE

34A, Metcalfe Street, 2nd Floor, Room No. 2C/3,
Kolkata - 700 013, West Bengal, India

CORPORATE OFFICE

202, 2nd Floor, Block A, Crystal Arcade, Lodhipara
Chowk, Raipur - 492 001, Chhattisgarh, India

MANUFACTURING FACILITY

Village Taraimal, P. O. Gerwani, Tehsil Gharghoda,
District Raigarh, Chhattisgarh - 496 001



B.S. SPONGE LIMITED

(formerly known as B.S. Sponge Private Limited)

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- v. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

9. POLICY REVIEW

- i. This Policy is based on the provisions of the Act and the Listing Regulations, and shall be reviewed by the Board at least once every 3 (three) years.
- ii. In case of any changes in the provisions of the Act, the Listing Regulations or any other regulation which are inconsistent with the Policy, such amended provisions would prevail over the Policy.
- iii. The company secretary and chief financial officer are jointly authorized to proposed matter to amend this Policy to be made consistent with the prevailing provisions of the Act and the Listing Regulations, which shall be placed before the Audit Committee and Board for their approval.
- iv. In case of any interpretation issue on any matter relating to this Policy, the Audit Committee/ Board shall refer the same for legal opinion.

10. GENERAL

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to the chairman of the Audit Committee. In all such matters, the interpretation and decision of the chairman shall be final. The Company reserves the right to modify, cancel, add, or amend any clause of this Policy as set out above.

SD/-
Ashish Agarwal
Managing Director

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