

The Patna Electric Supply Co. Ltd

33A, Jawaharlal Nehru Road, Chatterjee International, Unit A-9, 8th Floor Russel Street, Kolkata-700071

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RELATED PARTY TRANSACTIONS (RPT) POLICY

1. PREAMBLE

The Board of Directors (the “Board”) of **The Patna Electric Supply Co. Ltd.** (the “Company”) has adopted the following Policy and procedures with regard to Related Party Transactions (RPTs), in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”).

This policy is intended to ensure proper approval, disclosure, and reporting of transactions with related parties and to set out the materiality thresholds and governance mechanism for such transactions in accordance with applicable legal requirements and good governance practices.

2. OBJECTIVE

This Policy aims to:

- Define and regulate RPTs in compliance with applicable laws.
- Ensure transparency and fairness in the approval and reporting of RPTs.
- Avoid conflicts of interest and ensure that transactions are carried out in the best interest of the Company and its stakeholders.

3. DEFINITIONS

a. “**Related Party**” shall have the same meaning as defined under:

- Section 2(76) of the Companies Act, 2013
- Regulation 2(1)(zb) of the SEBI LODR

b. “**Related Party Transaction (RPT)**” means a transaction involving a transfer of resources, services, or obligations between the Company and a related party, regardless of whether a price is charged.

c. “**Material Related Party Transaction**” means a transaction with a related party that, individually or taken together with previous transactions during a financial year, exceeds:

- **₹1,000 crore or 10%** of the annual consolidated turnover of the Company, whichever is lower (as per latest audited financial statements).

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d. “**Ordinary Course of Business**” means transactions that are carried out in the normal day-to-day operations of the Company.

e. “**Arm’s Length Basis**” means a transaction between two related parties conducted as if they were unrelated.

4. **POLICY FRAMEWORK**

4.1 Identification of Related Parties

- The Company shall identify Related Parties based on declarations received from Directors, KMPs, and Promoters.
- The list shall be reviewed and updated periodically by the Company Secretary and provided to the Audit Committee and Board.

4.2 Approval Mechanism

Type of RPT	Approval Required
RPTs in ordinary course and at arm’s length	Audit Committee only
RPTs not in ordinary course or not at arm’s length	Audit Committee + Board
Material RPTs (threshold exceeds limits prescribed under Regulation 23)	Shareholders (by special resolution)

- **All RPTs** shall be approved by the **Audit Committee** prior to execution.
- **Omnibus approvals** may be granted by the Audit Committee subject to conditions set out under SEBI LODR.

5. **PROCEDURE FOR APPROVAL**

a. Audit Committee Approval

- The agenda shall disclose the name of the related party, nature of relationship, nature, and duration of the transaction, material terms, indicative value, and justification.
- Independent directors who are members of the Audit Committee shall approve such transactions.

b. Board Approval

- If the RPT is not in the ordinary course of business or not at arm’s length, it shall be referred to the Board.

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- Directors interested in such transactions shall abstain from voting.

c. Shareholder Approval

- Material RPTs and any other transactions as prescribed by law shall be placed before shareholders through **special resolution**, where all related parties shall abstain from voting.

6. OMNIBUS APPROVAL CRITERIA

The Audit Committee may grant omnibus approval for RPTs subject to:

- Maximum value per transaction and total limit per year.
- Validity not exceeding one financial year.
- Review at least once a quarter.
- Sufficient disclosures made to the Committee for decision-making.

7. DISCLOSURES AND REPORTING

- Disclosures shall be made in the **Board's Report** and **financial statements** as per Section 134 and 188 of the Companies Act, 2013 and IND AS 24.
- Material RPTs shall be disclosed to stock exchanges within timelines prescribed.
- The Company shall maintain a register of contracts with related parties as per the Companies Act.
- RPT Policy shall be hosted on the **website** of the Company and a web link shall be provided in the Annual Report.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In case a transaction is undertaken without prior approval and is subsequently identified as RPT, it shall be:

- Reviewed by the Audit Committee.
- Evaluated to determine whether ratification, revision, or termination is required.
- Reported to the Board with appropriate recommendations.

9. MATERIAL MODIFICATIONS

Any modifications to an existing RPT which is deemed "material" shall be approved in the same manner as a new transaction.

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10. RECORD-KEEPING

The Company shall maintain comprehensive documentation of:

- All RPTs reviewed/approved
- Basis of determining arm's length
- Justifications for Omnibus approvals
- Shareholder resolutions, if any

11. REVIEW OF THE POLICY

The Board may review this Policy at least **once every three years** or in case of any regulatory amendments or as may be deemed necessary in light of regulatory changes or evolving governance standards.

Changes in law shall automatically override this Policy to the extent applicable, and necessary amendments will be incorporated with Board approval.

12. EFFECTIVE DATE

This Policy shall come into force with effect from the date of its approval by the Board of Directors.
