



PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No. 13, N.h. 48, Kempalinganahalli Village, Nelamangala Taluk,
Bangalore-Karnataka 562123

Email : pacificinvestor@rediffmail.com ; Website : www.pacificindustriesltd.com

CIN : L14101KA1989PLC062041

Tele : 91-8027723004 ; Fax : 91-8027723005

PACIFIC INDUSTRIES LIMITED

Related Party Transactions Policy

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

Definitions

(a) **“Act”** means Companies Act, 2013 including any statutory modifications or reenactments thereof;

(b) **“Board”** means Board of Directors of the Company;

(c) **“Related Party”** with reference to the Company, means an entity where:

- Such entity is a related party as defined under section 2(76) of the Companies Act, 2013 and regulation 2 (zb) of the Listing Regulations; or

Such entity is a related party under the applicable accounting standards.

(d) **“Related Party Transaction”** means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under Regulation 2 (zc) of the Listing Regulations.



PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No. 13, N.h. 48, Kempalinganahalli Village, Nelamangala Taluk,
Bangalore-Karnataka 562123

Email : pacificinvestor@rediffmail.com.com ; Website : www.pacificindustriesltd.com

CIN : L14101KA1989PLC062041

Tele : 91-8027723004 ; Fax : 91-8027723005

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the Listing Regulations, as amended from time to time.

Transactions between Company & Related Parties & Materiality Threshold

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

A transaction with the Related Party shall be treated as “material” if the transaction /transactions to be entered into individually or taken together with previous transaction(s) during a financial year with such Related Party exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

With effect from April 01, 2022, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Approvals required for Transaction(s) with Related Party(s)

1. The Company shall not enter into any transaction/contract/ arrangement with a Related Party without the prior approval of the Audit Committee unless the transaction /contract/arrangement enjoys any exemption as provided under Act or Rules made thereunder or under the Listing Regulations and also after considering all relevant factors.



PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No. 13, N.h. 48, Kempalinganahalli Village, Nelamangala Taluk,
Bangalore-Karnataka 562123

Email : pacificinvestor@rediffmail.com ; Website : www.pacificindustriesltd.com

CIN : L14101KA1989PLC062041

Tele : 91-8027723004 ; Fax : 91-8027723005

2. The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the company, subject to the conditions as stated under the Act and Regulation 23(3) of Listing Regulations.
3. 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 Act and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such transaction/ contract /arrangement.
4. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.
5. *With effect from April 01, 2022, all related party transactions and subsequent material modifications shall require prior approval of those members of audit committee who are independent directors of the Company:*

Board's Approval for the Related Party Transactions

The Board of Directors of the Company after considering the recommendations of the Audit Committee, establish appropriate internal processes for the purpose of identification of Related Parties and any transactions with them, determination of whether the transaction(s) is in ordinary course of business, and on an arm's length basis, monitoring "materiality" threshold, and other relevant matters to ensure adherence to this policy in entering into transactions with Related Parties. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.



PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No. 13, N.h. 48, Kempalinganahalli Village, Nelamangala Taluk,
Bangalore-Karnataka 562123

Email : pacificinvestor@rediffmail.com ; Website : www.pacificindustriesltd.com

CIN : L14101KA1989PLC062041

Tele : 91-8027723004 ; Fax : 91-8027723005

Shareholder's Approval for the Related Party Transactions

If a Related Party Transaction is

- (i) a material transaction as per Regulation 23 of the Listing Regulations, or
- (ii) not in the ordinary course of business, or
- (iii) not at arm's length price and
- (iv) exceeds certain thresholds prescribed under the Companies Act, 2013,

it shall require shareholders' approval by a special resolution. In such a case, any member of the Company is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.

The provisions of regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

With effect from April 01, 2022, the provisions of regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable to transactions entered into between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is



PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No. 13, N.h. 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore-Karnataka 562123

Email : pacificinvestor@rediffmail.com ; Website : www.pacificindustriesltd.com

CIN : L14101KA1989PLC062041

Tele : 91-8027723004 ; Fax : 91-8027723005

obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

Reporting of Related Party Transactions

Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The details of all transactions with related parties shall be submitted on a consolidated basis, in the format specified in the relevant accounting standards, half yearly to the stock exchanges and the same shall be published on the Company's website and provide its weblink of the policy in the Annual Report.

In addition to the disclosures required under Accounting Standards, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

Amendment

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Listing Regulations, Act or any law for the time being in force. 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 hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.



PACIFIC INDUSTRIES LIMITED

Regd. Office : Survey No. 13, N.h. 48, Kempalinganahalli Village, Nelamangala Taluk,
Bangalore-Karnataka 562123

Email : pacificinvestor@rediffmail.com.com ; Website : www.pacificindustriesltd.com

CIN : L14101KA1989PLC062041

Tele : 91-8027723004 ; Fax : 91-8027723005

Further, this policy shall also be reviewed by the Board of Directors at least once in three years and may amend the same from time to time.
