

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED
PARTY TRANSACTIONS**

OF

PRISTINE LOGISTICS & INFRAPROJECTS LIMITED

1. Title

This policy shall be called the Policy on materiality of related party transactions and dealing with related party transactions ("Policy").

2. Objectives

2.1. Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder ("Companies Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") require the companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the SEBI Listing Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

2.2. Accordingly, the Board has adopted the following Policy with regard to related party transactions. The Policy has been prepared in accordance with Section 177 and Section 188 of the Companies Act and applicable provisions of the SEBI Listing Regulations. The Audit Committee will review this Policy on an annual basis and propose any modifications to the Board for approval. The Policy shall be reviewed by the Board of Directors at least once every three years.

3. Definitions

In this Policy, unless the context otherwise requires:

"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.

"Audit Committee" shall mean the Committee constituted by the Board of Directors of the Company under the applicable provisions of the Companies Act and SEBI Listing Regulations;

"Board" shall mean the board of directors of the Company;

"Companies Act" shall mean the Companies Act, 2013 including any statutory modification or re-enactment thereof;

"Company" or "PLIL" shall mean Pristine Logistics & Infraprojects Limited;

"Key Managerial Personnel" shall mean the person(s) appointed as such in pursuance of Section 203 read with Section 2(51) of the Companies Act;

"Material Modification", means any modification to the previously approved Related Party Transaction which shall result in a variance on the pricing, quantity and/or overall transaction value by 20% or more.

“Material Related Party Transaction” as set out in Schedule I;

“Ordinary Course of Business” with reference to a transaction with a related party shall mean a transaction which is:

- i. carried out in the normal/ordinary course of business envisaged in accordance with the memorandum of association of the Company as amended from time to time;
- ii. historical practice and repetitive/frequent in nature;
- iii. common commercial practice;
- iv. meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time;
- v. in furtherance of the business objectives and/or business purposes of the Company

The above mentioned are only indicative and not an all inclusive list.

“Related Party”, in relation to the Company shall mean a party related with the Company in any of the ways as laid down in Section 2(76) of the Companies Act, Rules, Regulation 2 (1) (zb) of SEBI Listing Regulations or under applicable accounting standards, each as amended;

“Relative” with reference to any person, shall mean anyone who is related to another person as defined under Section 2(77) of the Companies Act and applicable accounting standards, each as amended;

“Related Party Transaction” means a person or an entity as defined in:

- i. a transaction between the Company and Related Party which is of the nature specified in clauses (a) to (g) of Section 188(1) of the Companies Act; and
- ii. a transaction involving transfer of resources, services or obligations between the parties as specified in Regulation 2(1)(zc) of SEBI Listing Regulations.

However, the transactions specifically exempted under Regulation 2(1)(zc) of SEBI Listing Regulations or any other applicable laws shall not be considered as Related Party Transactions.

“Rules” shall mean the rules framed under the Companies Act, as amended from time to time;

“Senior Management” or **“SMP”** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

4. Interpretation

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Rules, the Securities and Exchange Board of India Act, 1992, as

amended, or rules and regulations made thereunder including the SEBI Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an external expert as it deems fit.

5. Procedure

5.1. Identification of Transactions with Related Parties

- 5.1.1. The Company shall identify Related Parties as per the requirement of the Companies Act and the SEBI Listing Regulations, and the Company Secretary shall maintain a list of Related Parties as defined in Section 2(76) of the Act, read with the Companies (Specification of Definitions Details) Rules, 2014 and as per Regulation 2(zb) of Listing Regulations from time to time;
- 5.1.2. Each Director and Key Managerial Personnel shall provide a declaration, at the time of his/her appointment, at the beginning of every financial year and whenever there is any change in the disclosure so made, providing details of:
 1. Relatives;
 2. firms in which such Director or his relative is a partner;
 3. private companies in which a Director or his relative is a member or Director;
 4. A public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
 5. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- 5.1.3. Directors and Key Managerial Personnel are also required to provide the information regarding their engagement with other entities during the financial year which may be regarded as a Related Party according to this Policy.
- 5.1.4. Each Director/Key Managerial Personnel/Promoter is responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction 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 Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.
- 5.1.5. The Compliance Officer shall:
 - i. Basis the declaration of Directors and KMPs, identify and keep on record in the form of an updated database the information pertaining to Related Parties.
 - ii. At the beginning of the Financial Year and on any subsequent changes, identify and maintain information in the database about the related parties
 - iii. Update the database of Related Parties whenever necessary.

5.1.6. The Board/ Audit Committee will determine whether the transaction requires compliance with this policy or not.

5.2. Material Related Party Transaction

A Related Party Transaction shall be considered material if the transaction or transactions to be entered into individually or taken together with previous transactions during a financial year, exceed the thresholds specified in **Schedule I** of this Policy.

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 transaction(s) during a financial year, exceed 5 (five) per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

6. Review and approval of Related Party Transactions

6.1. Approval of Audit Committee

6.1.1. Unless otherwise provided under applicable laws, all the transactions which are identified as Related Party Transactions and material modifications/ subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Companies Act and/or SEBI Listing Regulations (as applicable). The Audit Committee shall consider all relevant factors before granting its approval to the proposed transaction.

6.1.2. The Audit Committee shall also approve Related Party Transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value of the proposed transaction(s) exceeds the thresholds as prescribed under the SEBI Listing Regulations.

6.1.3. In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- a. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- b. Whether there are any compelling business reasons/rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c. Whether the Related Party Transaction would affect the independence of an independent director;

- d. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - e. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
 - f. Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, executive officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deems relevant.
- 6.1.4. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature, subject to such criteria/conditions as mentioned under Regulation 23(3) of SEBI Listing Regulations or any other applicable provisions and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- 6.1.5. The Audit Committee may also grant omnibus approval where the need for Related Party Transaction cannot be foreseen and the details are not available, subject to their value not exceeding ₹ 1 crore per transaction;
- 6.1.6. Unforeseen Related Party Transactions in the manner specified under the SEBI Listing Regulations.
- 6.1.7. Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to the Omnibus Approval accorded in terms of clause 6.1.4 above, on a quarterly basis.
- 6.1.8. Only those members of Audit Committee who are Independent Directors, will approve Related Party Transactions. Any member of Audit Committee having a potential interest in the proposed Related Party Transaction, will recuse himself and abstain from discussion and voting on the proposal for approval of the said transaction.

6.2. Approval of Board of Directors

- 6.2.1. In case of Related Party Transaction which is not in the ordinary course of business or not at arm's length transaction, whether or not it is a material Related Party Transaction, prior approval of the Board through a resolution passed at the meeting of the Board shall be necessary.

- 6.2.2. 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 on the subject matter of the resolution relating to such contract or arrangement.
- 6.2.3. In the event the Audit Committee presents a Related Party Transaction before the Board, or if the Board suo-moto elects to review any Related Party Transaction or if a Related Party Transaction is required to be approved by the Board in pursuance of the Companies Act, Rules or SEBI Listing Regulations, the process set forth in this Clause 4 shall apply mutatis-mutandis for approval of such Related Party Transaction by the Board, subject to such exceptions as may be necessary or appropriate under the circumstances.

6.3. Approval of Shareholders

- 6.3.1. All material related party transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the shareholders through resolution and no Related Party shall vote on such resolutions whether the entity is a Related Party to the particular transaction or not. However, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- 6.3.2. If a related party transaction is not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds as prescribed under Section 188 of the Companies Act, it shall require shareholders' approval by a resolution. The Related Parties shall abstain from voting as shareholders in case of Related Party Transactions which require the approval of shareholders.
- 6.3.3. However, the shareholders' approval is not required for the transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company, and 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 and such other transactions as prescribed under applicable law.

7. Related Party Transactions not approved under the Policy

In case the Audit Committee becomes aware of any Related Party Transaction that has not been approved as per the Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the said Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take such action as it may deem appropriate.

8. Disclosure of Related Party Transactions

The particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under the Companies Act, Rules, SEBI Listing Regulations and other applicable laws.

The details of RPTs, which are not in the Ordinary Course of Business and/ or not at Arm's Length, shall be disclosed in the Boards' Report along with the justification for entering into such contract or arrangement. The Company shall disclose this Policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the annual report of the Company.

The particulars of Related Party Transactions should be entered in the register(s) maintained under the Companies Act, wherever applicable.

The Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results for the half year, of related party transactions, if any, to the stock exchanges on a consolidated basis, in the format specified in the relevant accounting standards for annual results and publish the same on its website. Provided however that the remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure provided that the same is not a Material Related Party Transaction.

Company shall provide other disclosures as per Industry Standards on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions ("RPT Industry Standards") dated June 26, 2025 and SEBI Master Circular HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated January 30, 2026 as per applicability upon listing of the Company.

9. Amendment and Review

Subject to applicable laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy. This Policy shall be reviewed by the Board at least once every three years and updated accordingly.

In the event of any conflict between the provisions of this Policy and any applicable laws, such applicable laws in force, shall prevail over this Policy.

10. General

This Policy shall be posted on the website of the Company at www.pristinelogistics.com and a web-link thereto shall be provided in the annual report of the Company.


11. Effective Date

The Policy shall become effective upon the listing of the Company's securities on stock exchanges.

Version Control:

<u>Sr. No.</u>	<u>Version No.</u>	<u>Date of approval</u>
1	V 1	May 23, 2026

For PRISTINE LOGISTICS & INFRAPROJECTS LIMITED



Company Secretary

SCHEDULE I

MATERIAL RELATED PARTY TRANSACTION

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 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 up to ₹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 ₹5,000 crore, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the Company.

Illustration 1. For (ii) above	
If the annual consolidated turnover of the Company is ₹30,000 crore	₹2,000 crore + 5% of the remaining ₹10,000 crore = ₹2,500 crore.
Illustration 2. For (iii) above	
If the annual consolidated turnover of the Company is ₹50,000 crore	₹3,000 crore + 2.5% of the remaining ₹10,000 crore = ₹3,250 crore.
Illustration 3. For (iii) above	
If the annual consolidated turnover of the Company is ₹1,50,000 crore	₹3,000 crore + 2.5% of the remaining ₹1,10,000 crore = ₹5,750 crore. However, threshold for material related party transaction would be ₹5,000 crore as it is lower than ₹5,750 crore.

S. No.	Specified Related Party Transaction(s) u/s 188(1) of the Companies Act, 2013	
	Approval of the Board	Materiality Threshold
a)	sale, purchase or supply of any goods or materials	Exceeding 10% of the turnover of the Company.
b)	selling or otherwise disposing of, or buying, property of any kind	Exceeding 10% of net worth of the Company or 10% of the annual consolidated turnover of the Company, whichever is lower
c)	leasing of property of any kind	Exceeding 10% of turnover of the Company
d)	availing or rendering of any services	Exceeding 10% of the turnover of the company
e)	appointment of any agent for purchase or sale of goods, materials, services or property	Exceeding 10% of the turnover of the company
f)	such related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company	At a monthly remuneration exceeding Rs. 2.5 lakhs or 10% of the annual consolidated turnover of the Company, whichever is lower
g)	underwriting the subscription of any securities or derivatives thereof, of the Company	Exceeding 1% of the net worth. or 10% of the annual consolidated turnover of the Company, whichever is lower

Explanation(s):

Limits specified in clauses a) to d) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a Financial Year.

Turnover shall be computed on the basis of the audited Financial Statement of the preceding Financial Year.

