



***Policy on  
materiality of  
Related Party Transactions (RPTs)  
of  
BPL LIMITED***

**PREFACE**

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The Company is committed to good corporate governance practices, including in matters relating to Related Party transactions. An Endeavour is consistently made to have only arms' length transactions with Related Parties.

All **Related Party Transactions (RPTs)** as that term is defined in this policy, shall be subject to review in accordance with the procedures set forth below. The Audit Committee (the Committee) shall review all RPTs before recommending the same to the Board.

## **DEFINITIONS**

A “related party” is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and /or operating decisions and includes the following.

- 1 A person or a close member of that person’s family is related to a company if that person :
  - a. is a related party under Section 2(76) of the Companies Act, 2013;or
  - b. has control or joint control or significant influence over the Company; or
  - c. is a key management personnel of the Company or of a parent of the company ;  
or
- 2 An entity is related to a company if any of the following conditions applies;
  - a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
  - b. The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the other) ; or
  - c. One party is an associate or joint venture of the other entity( or an associate or joint venture of a member of a group of which the other entity is a member); or
  - d. Both entities are joint ventures of the same third party; or
  - e. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
  - f. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the company is itself such a plan , the sponsoring employees are also related to the company ;or

- g. The entity is controlled or jointly controlled by a person identified in (1)
- h. A person identified in (1)(b) has significant influence over the entity ( or of a parent of the entity)

### **Materiality of Related Party Transactions**

A transaction with a related party shall be considered material only if it is covered under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014.

### **PROCEDURES**

1. All RPTs of the Company as prescribed and covered under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) 2015 will be approved by the audit committee of the Board from time to time.
2. Each Director / Key Managerial Personnel (KMP) who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Committee concerning such Transaction and his or her interest in such transaction.
3. Management shall present to the Audit Committee the following information, to the extent relevant with respect to actual or potential Related party Transaction.
  - a. A general description of the transactions(s) including the name of the related party and nature of relationship, duration of the contract and particulars of the contract or arrangement, the material terms and conditions.
  - b. The Related Party's interest in the transaction(s), including the Related Party's position or relationship with or ownership of any entity that is a party to or has an interest in the transaction(s)
  - c. The manner of determining the pricing and other commercial terms.
  - d. In the case of lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments expected to be made in the financial year.
  - e. In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.

- f. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors and any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s)
4. Consent of the Board and the Shareholders would also be taken in respect of all RPTs, provided that such consent would not be required in the following cases.
  - a. The transactions are entered into by the Company in its ordinary course of business and are on an arms' length basis; and
  - b. The transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, does not exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.
5. Where Board consent /shareholder's approval is required as per para 4 above:
  - a) the agenda of the Board meeting at which the resolution is proposed to be moved and
  - b) explanatory statement to be annexed to the notice of such general meeting, shall disclose all such details/information about the contract as are prescribed under the Companies (Meeting of Board and its powers) Rules, 2014.
6. Where RPTs require approval of the Board and the shareholders through special resolution
  - (a) any director who is interested in any contract or arrangement with a related party shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement and
  - (b) such Related party(ies) shall abstain from voting on such resolutions of the shareholders.
7. If a Related party Transaction will be ongoing, the Audit Committee may establish guidelines for the company's management to follow in its ongoing dealings with the Related Party. Thereafter, the committee shall periodically review and assess ongoing relationships with the related party. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this policy shall also be subject to subsequent review under this policy.
8. The Audit Committee shall periodically review this policy and may recommend amendments to this policy from time to time as it deems appropriate. In

addition to guidelines for ongoing Related party Transactions, the Audit Committee may, as it deems appropriate and reasonable, establish from time to time guidelines regarding the review of other Related Party Transactions.

9. This policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made there under, as may be in force, as well as SEBI (Listing Obligations and Disclosure Requirements) 2015 or such other Rules/Regulations, as may be notified by SEBI, from time to time.