

BHATIA COMMUNICATIONS & RETAIL (INDIA) LIMITED

CIN No: L32109GJ2008PLC053336

POLICY ON RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

EFFECTIVE DATE- 15.02.2018

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1. Requirements and Scope:

The Board of Directors (the “Board”) of Bhatia Communications & Retail (India) Limited (the “Company”) has adopted this policy on related party transaction under section 177, 188 and any other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Meeting of Board and its Power) Rule, 2014 and Regulation 23 of the Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”).

2. Objectives:

Objective of this policy is to timely reporting, disclosure and compliance of matters related to related party transactions as per requirements of laws.

3. Definitions:

(1) **Arm’s length transactions** mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

(2) **Related Party**, with reference to a company, means

a) a director or his relative;

b) a key managerial personnel or his relative;

c) a firm, in which a director, manager or his relative is a partner;

d) a private company in which a director or manager [or his relative] is a member or director;

e) a public company in which a director or manager is a director and holds along with relatives, more than two percent of its paid-up capital;

f) 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;

g) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

h) any company which is (a) a holding, subsidiary or an associate company of such company; or (b) a subsidiary of a holding company to which it is also a subsidiary;

(3) **“Relative”**, with reference to any person means any one who is related to another if:

i. they are members of a Hindu undivided family

ii. They are husband and wife; or

iii. One person is related to the other in following manner:

(a) Father (including step-father)

(b) Mother (including step-mother)

(c) Son (including step-son)

(d) Son’s wife

(e) Daughter

(f) Daughter’s husband

(g) Brother (including step-brother)

(h) Sister (including step-sister)

(4) **Material Related party Transaction:** A transaction with related party shall be considered material of the transaction(s) to be entered into individually or taken together with previous

transactions during a financial year, exceeds ten percent of the annual turnover or ten percent of the networth of the listed entity as per last audited financial statements of the company.

(5) **Key Managerial Personnel** in relation to a Company means

- I. The Chief Executive Officer, or the Managing Director or the Manager;
- II. The Company Secretary
- III. The Whole-time director;
- IV. Chief Financial Officer

(6) **Audit Committee** means audit committee constituted under section 177 of the Companies Act, 2015 (the "Act").

4. Policy on Related party Transactions: All related party transactions shall be approved by the Audit Committee of the Company all related party transactions must be reported to the Audit Committee for their approval.

5. Identification of Related Party Transactions: All director and key managerial personnel are responsible for give notice to the Board before entering into any related party transactions apart from this every director of the Company shall provide disclosure of interest at the starting of every financial year. Board of the Company shall record all disclosure of interest received from the directors of the Company then the Audit Committee of the Company will decided whether transaction is fall under related party transactions or not.

6. Approval:

6.1. Prior approval by the Audit Committee: All related party transactions are required prior approval of the Audit Committee of the Company whether it's approved by Board of the Company or by Shareholders of the Company.

6.1.1. Omnibus approval by the Audit Committee: The Company may obtain omnibus approval from the Audit Committee of the Company for such transactions, subject to following conditions:

(1) The Audit Committee may grant omnibus approval for Related Party Transactions subject to following conditions:

(a) Maximum amount of the transaction which can be allowed during the year;

b) Maximum amount per transaction which can be allowed;

(c) Maximum transaction which can be allowed during one year;

(d) Information and disclosures requires to submit to the Audit Committee for such transactions.

(2) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.

(3) The omnibus approval shall define:

i. The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

ii. The indicative base price/ current contracted price and the formula for variation in the price if any; and

iii. Such other conditions as the audit committee may deem fit. In case of above details are not available the Audit Committee may grant omnibus approval for such transactions for value of such transactions does not exceeding rupees one crore per transaction.

(4) 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 approvals given.

(5) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

6.2. Approval of Board of Directors: Transactions which are not in ordinary course and at arm's length shall require prior approval of Board. When any director interested in any related party transactions which are requires prior approval of Board such interest director shall not participate in the discussion of that particular subject matter that shall be discussed in meeting of the Board. Criteria for given omnibus approval decided by the Audit Committee at any time shall be approved by the Board of Directors.

6.3. Approval of Shareholders: In following cases requires approval of Shareholders:

- All Material Related Party Transactions shall require approval of shareholders of the Company Through ordinary resolution and all related party shall not participate in the voting on such resolution
- Transactions which are not in ordinary business and not at arm's length price and cross threshold limits specified in section 188 of the Companies Act, 2013 shall require the prior approval of shareholders of the Company through ordinary resolution. All the related parties shall not vote on such resolution.

7. Related Party Transaction not approved under this policy:

In case of Company become aware that any related party transactions entered without prior approval under this policy, the matter shall be reviewed by the Audit Committee. After that the Audit Committee may cancel, ratify, modify or do such other actions as appropriate. The Committee shall also go through the facts, circumstances because of which particular transactions not reported under this policy and take such actions as appropriate.

8. Disclosure of Policy:

This policy shall be displayed in the website of the Company and also web link of the Policy shall be provided in the annual report of the Company.

All transactions with related parties which are not in ordinary business and not at arm's length price as per section 188 of the Companies Act, 2013 shall be disclosed in the Annual Report of the Company.

(This policy is approved by the Board of Directors at their meeting held on 19th January, 2018 and shall be effective from 15th February, 2018)