

# BLB LIMITED

CIN: L67120DL1981PLC354823

## Related Party Transactions Policy

*(Effective from 01<sup>st</sup> April, 2022)*

*[Modified & Approved by the Board of Directors in its meeting held on 30<sup>th</sup> December, 2021]*



## 1. PREAMBLE

Pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and the Companies Act, 2013, the Board of Directors (the "Board") of BLB Limited (the "Company" or "BLB"), has adopted the following amended policy and procedures with regard to Related Party Transactions as defined below.

## 2. PURPOSE

The policy is amended to regulate transactions between the Company and its Related Parties based on the laws, rules and regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Companies Act, 2013 and Accounting Standards as may be applicable to the Company.

## 3. DEFINITIONS

The definitions of the key terms used in this Policy are provided hereunder:

- **"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"** means the Audit Committee as constituted by the Board of Directors of the Company under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
- **"Board"** means Board of Directors of the Company.
- **"Company"** means BLB Limited.
- **"Control"** shall have the same meaning as defined in Securities and Exchanges Board of India (SEBI) (Substantial Acquisition of shares and Takeovers) Regulations, 2011.
- **"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes
  - (i) the Chief Executive Officer or the Managing director or the Manager,
  - (ii) the Company Secretary;
  - (iii) the Whole-time director;
  - (iv) the Chief Financial Officer;
  - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
  - (vi) such other officer as may be prescribed by the Central Government/ SEBI from time to time.





- **“Material Related Party Transaction”** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, if the amount exceeds Rs 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.
- **“Material Modification”** in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.
- **“Policy”** means Related Party Transaction Policy.
- **“Related Party”** “related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:  
The following shall also be treated as the Related Party:-
  - a. all persons or entities forming part of promoter or promoter group irrespective of their shareholding;
  - b. any person/ entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year:
    - i. to the extent of 20% or more
    - ii. to the extent of 10% or more w.e.f. April 1, 2023
- **“Related Party Transaction”** means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:  
Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);  
The RPT shall include transactions between -
  - a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
  - b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries w.e.f. April 1, 2023.
- **“Relative”** means relative as defined under the Companies Act, 2013 and includes 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) Father (including step-father)
  - (iv) Mother (including step-mother)





- (v) Son (including step-son)
  - (vi) Son's wife
  - (vii) Daughter
  - (viii) Daughter's husband
  - (ix) Brother (including step-brother)
  - (x) Sister (including step-sister)
- **"Regulation"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### 4. **MATERIALITY THRESHOLD**

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold at, in case of any other transaction(s), if the amount [exceeds Rs 1,000 crores 10% of the annual consolidated turnover of the company as per last audited financial statements of the Company, whichever is lower, for the purpose of Regulation 23(4) of the SEBI Listing Regulations.

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 listed entity as per the last audited financial statements of the listed entity.

#### 5. **POLICY AND PROCEDURE**

##### **Policy**

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy

##### **Procedures**

##### **A. Identification of Potential Related Party Transactions**





- (i) Each Director and Key Managerial Personnel is responsible for providing notice to the Board 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. Board/ Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- (ii) The Company strongly prefers to receive such notice of any potential Related Party Transaction and interest of the related parties in the said transaction well in advance so that the Audit Committee/ Board has adequate time to obtain and review information about the proposed transaction.

## **B. Review and Approval of Related Party Transactions**

### **Audit Committee**

- Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.

Members of the Audit Committee, who are Independent Directors, shall only approve related party transactions

- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.
- The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.]
- Prior approval of the Audit committee shall be required for
  - (i) All RPTs and subsequent Material Modifications;
  - (ii) RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company, as per the last audited financial statements of the Company:





- (iii) with effect from April 1, 2023, a related party transaction to which the Company's subsidiary is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of such subsidiary.

Provided that prior approval of the audit committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI (LODR) Regulations are applicable to such listed subsidiary.

- (i) To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether the Related Party Transaction would affect the independence of an independent director;
- 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
- 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/ Committee deems relevant.





- (ii) If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the consideration set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
- (iii) Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee:
- Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business expenses, mobile, entertainment, etc. and travel expenses incurred in the ordinary course of business.
  - In terms of Section 2(76) read with Section 188 of the Companies Act, 2013, all the related party transactions which are not on arm length basis and not in ordinary course of business, shall require prior approval of board.
- The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
  - If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.
  - The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.
  - Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.
  - To review a Related Party Transaction, the Committee shall be provided with the necessary information (as prescribed under the Companies Act, 2013 and/ or the SEBI Listing Regulations, from time to time), to the extent relevant, with respect to actual or potential Related Party Transactions.
  - The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors/ Shareholders as per terms of this policy





## Approval of the Board and the Shareholders

- All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in the Act as per Annexure 1 shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/ or the SEBI Listing Regulations, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

- All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI (LODR) Regulations are applicable to such listed subsidiary.

Provided that the provisions pertaining to -

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of shareholders for Material Related Party Transactions and subsequent Material Modifications

shall not be applicable when the transactions are entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.





**6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

**7. DISCLOSURES**

Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.

Material RPTs shall be provided in the notice to shareholders.

All material related party transactions shall be disclosed quarterly along with the Compliance Report on Corporate Governance as per the Regulations.

The Company shall submit enhanced disclosure of information related to RPTs to be provided to the stock exchanges every six months in the format specified by the SEBI with the following timelines:

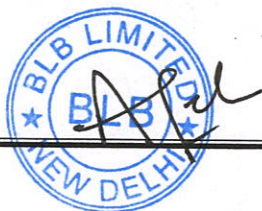
- (i) within 15 days from the date of publication of financials;
- (ii) simultaneously with the financials w.e.f. April 1, 2023 and also publish the same on its website

The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

**8. REVIEW**

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.





9. **AMENDMENT(S)**

The policy was originally framed on 13<sup>th</sup> August, 2014, revised on 20<sup>th</sup> October, 2014, 30<sup>th</sup> May, 2016 and 30<sup>th</sup> March, 2019. Now, this policy is further revised in line with the SEBI (LODR) Regulations.

This amended Policy shall be effective from 01<sup>st</sup> April, 2022 and shall be communicated to all the Directors, Key Managerial Personnel and other concerned persons of the Company.

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate to the Board of Directors of the Company.



For BLB Limited

Anshul Mehra

Executive Director

DIN: 00007441

Date: 30<sup>th</sup> December, 2021

Place: New Delhi



## ANNEXURE 1

Transactions that, require prior approval of Shareholders of the Company, as prescribed under rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions/contracts/ arrangements as follows :

As contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of Section 188, with criteria as mentioned below –

- Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company , as mentioned in clause (a) and clause (e) respectively of subsection (1) of section 188;
- Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company , as mentioned in clause (b) and clause (e) respectively of subsection (1) of section 188;
- Leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188;
- Availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

These limits shall however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year

