

## **BHARTIYA INTERNATIONAL LIMITED**

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

**Version no.: RPTPOLICY/2021-22/01**

**Adopted on: 14/02/2022**

1. The Company shall enter into contracts or arrangement with a related party on an arm's length basis. Such transactions shall be placed before the Audit Committee for their approval. On a quarterly basis the Audit Committee shall review transactions with related parties for omnibus approval given.
2. In the event such contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and rules framed there under and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement. 'Arm's length transaction' has been defined to mean a transaction between the related parties that is conducted as if they were unrelated so that there is no conflict of interest.
3. All transactions involving transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged are considered related party transactions as per SEBI. All material related party transactions will be placed for the approval of the shareholders of the Company. A transaction with the related party shall be considered material if the transaction(s) to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity, as per last audited financial statements of the company, whichever is lower. Transactions with wholly owned subsidiaries are exempt for approval of shareholders. Transactions entered into between two wholly owned subsidiaries of the company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, shall not required approval of audit committee/shareholders.
4. A related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity 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 consolidated turnover w.e.f. 1<sup>st</sup> April, 2022 as per the last audited financial statements of the Company and ten per cent of annual standalone turnover w.e.f. 1<sup>st</sup> April, 2023, as per the last audited financial statements of the subsidiary.

5. All related party transactions said to be fall under definition of material modifications, if there is change of twenty percent in value of the transaction or Rs. One crore, whichever is higher.
6. Company shall not give any loan/advance/guarantee directly or indirectly to any director, his relatives and anybody corporate in which he or his relatives are interested. Company shall not directly or indirectly give loan or give any guarantee or security in connection with loan to any person or body corporate exceeding prescribed limits. However, such restrictions would not apply to transactions with wholly owned subs diaries.
7. Contracts or arrangements approved not in the ordinary course of bus ness or at arm's length shall be disclosed in the Board's report along with justification for enter into such contract or arrangement. Company shall maintain a register of such contracts and also disclose transactions with related parties in its annual report and material related parry transactions in corporate governance report.
8. Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.
9. This Policy will be reviewed as and when required but at least once in three years.