

Related Party Transactions Policy

Effective Date:	28 th March, 2015
Date of first Amendment:	29 th May, 2017
Date of second Amendment:	29 th March, 2019
Date of third Amendment:	4 th February, 2020
Date of Fourth Amendment:	1 st April, 2022 (vide Board Resolution dated 9 th February, 2022)

Governing Guideline: The Companies Act, 2013, (“the Act”) and allied Rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (“Listing Regulations”), Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 (“DPE Guidelines”), Accounting Standards and Taxation Laws

1. **Introduction**

The Board of Directors (the “Board”) of Balmer Lawrie & Co. Ltd. (the “Company” or “BL”), at their meeting held on 28th March, 2015, upon the recommendations of Audit Committee, had initially adopted the policy and procedures with regard to Related Party Transactions. Pursuant to Regulation 23(1) of Listing Regulations, the Company is required to formulate a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions including clear threshold limits duly approved by the Board and such policy shall be reviewed by the Board at least once every three years and would be updated accordingly.

2. **Scope**

The scope of this Policy would inter-alia include all transactions with Related Party(ies) as defined and dealt by the Act, the Listing Regulations, the DPE Guidelines, Accounting Standards and Taxation Laws.

3. **Objectives of the Policy**

The objective of the Related Party Transactions Policy is to ensure that the transactions with Related Party(ies) are properly identified, reviewed and duly approved & disclosed in accordance with the applicable law. The policy endeavors to ensure monitoring and managing potential conflicts of interest of management, members of the Board and shareholders, to avoid abuse of Related Party Transactions. The Policy also aims to define the materiality of Related Party Transactions and the material modifications thereof, as required under the Listing Regulations.

4. **Definitions**

All the words or terms as used in this Policy carries the same meaning as stated in the Listing Regulations, the Act, the applicable Accounting Standards, the Taxation Laws and the DPE Guidelines respectively, depending on the context and provisions of the respective statute where the reference of the same have been drawn.

5. Materiality of Related Party Transactions

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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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 Company as per the last audited financial statements of the Company.

Provided that the aforesaid thresholds shall be applicable only for the purpose of the Listing Regulations and would not affect or interact, in any way, with the provisions of other statutes.

6. Material Modifications to Related Party Transactions

Any modification to the Related Party Transaction leading to a change of 25% or above (upward or downward) from the existing transaction value shall be deemed to be material modification and would require prior approval of the Audit Committee.

In a situation where no consideration is involved in the Related Party Transaction or the value of modification cannot be ascertained, any modification to the Related Party Transaction shall be considered material and would require prior approval of the Audit Committee.

7. Dealing with Related Party Transactions

a. Dealing with Related Party Transactions as per the Act

All transactions with Related Party(ies) shall be identified and dealt with as per the provisions of the Act and the allied Rules.

b. Dealing with Related Party Transactions as per the Listing Regulations

All transactions with Related Party(ies) shall be identified and dealt with as per the provisions of the Listing Regulations.

c. Dealing with Related Party Transactions as per the Accounting Standards

All transactions with Related Party(ies) shall be identified and dealt with as per the provisions of the Accounting Standards.

d. Dealing with Related Party Transactions as per the DPE Guidelines

All transactions with Related Party(ies) shall be identified and dealt with as per the provisions of the DPE Guidelines.

e. Dealing with Related Party Transactions as per the Taxation Laws

All transactions with Related Party(ies) shall be identified and dealt with as per the provisions of the applicable Taxation Laws

8. Identification of Related Party (ies) and Related Party Transactions (RPTs)

All Related Parties of the Company shall be identified on the basis of the disclosures received. The names of all Related Parties shall be consolidated as a Related Party reference list and this list shall be amended from time to time and shall be progressively shared with the concerned departments and functional heads.

The accounts department will tag the Related Party(ies) in the reporting system to generate periodic reports of RPTs recorded in the system.

This Policy will be communicated to all concerned persons.

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