
Batliboi Limited Policy on Related Party Transactions

1. **PREAMBLE**

The Board of Directors of Batliboi Limited (“the Company”) had approved Related Party Transaction Policy upon recommendation of the Audit Committee which defines and lays down the procedures with regard to Related Party Transactions in view of good corporate governance practices by following arm’s length basis in transacting business with its related parties which are in the ordinary course of business.

The said Policy included materiality thresholds and the manner of dealing with Related Party Transactions (“the Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules thereunder and Clause 49 of the Equity Listing Agreement with the Stock Exchange and applicable to transactions between the Company and its Related Parties.

Pursuant to the powers conferred under Securities and Exchange Board of India Act, 1992 and Securities Contracts Regulation Act, 1956, SEBI has vide Notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 promulgated Listing Regulations known as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Board of Directors of the Company in its Meeting held on 30th January, 2016, approved the replacement of this policy in pursuance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015.

As there is no change in the framework of the policy, the contents of this policy shall remain the same to the extent of amendments introduced under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015.

2. **OBJECTIVE**

This policy is framed as per the provisions of the Companies Act, 2013 and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. Every year, the Company is required to disclose the transactions between the Company and Related Parties in terms of Accounting Standard 18 in the Financial Statements as well as the policies concerning transactions with Related Parties in the Director’s Report.

The Related Party Transaction Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.

3. **DEFINITIONS**

- 3.1 “Act” means Companies Act, 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- 3.2 “Arm’s Length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 3.3 “Audit Committee” means committee of Board of Directors of the Company.
- 3.4 “Boards of Directors” or “Board” means the Board of Directors of the Company.
- 3.5 “Company” means Batliboi Limited.
- 3.6 “Key Managerial Personnel” means the Key Managerial Personnel of the Company as defined in sub-section (51) of section 2 of the Companies Act, 2013.
- 3.7 “Listing Agreement” shall mean an agreement that is entered into between a recognised stock exchange and an entity, on the application of that entity to the recognised stock exchange, undertaking to comply with conditions for listing of designated securities;
- 3.8 “Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- 3.9 “Policy” means the current Policy on Related Party Transactions, including amendments, if any, from time to time.
- 3.10 “Related Party” means related party as defined in Regulation 2(zb) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015 which is as follows:

It means a related party

- a) as defined under sub-section (76) of section 2 of the Companies Act, 2013
- b) or under the applicable accounting standards.

- 3.11 “Related Party Transaction” (RPT) 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.

3.12 “Relative” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

3.13 “Transaction” with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

4. **POLICY**

All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Audit Committee based on this Policy.

a) **Identification of related parties**

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015.

b) **Identification of related party transactions**

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm’s length basis.

c) **Procedure for approval of related party transactions**

(i) **Approval of the Audit Committee:**

All Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm’s Length basis, subject to the compliance of conditions contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to

actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Agreement.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such transaction, the benefits to the Company and to the Related Party and any other relevant matters.

(ii) **Approval of the Board of Directors:**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above under Paragraph (i) shall apply to the review and approval of the matter by the Board of Directors, with such modifications as may be necessary or appropriate under the circumstances.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting of the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

(iii) **Approval of the Shareholders:**

All the Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

All the transaction, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through special resolution if so required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

5. **RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

6. **DISCLOSURES:**

Details of any Material Related Party Transactions shall be disclosed to the stock exchange quarterly along with the compliance report on corporate governance.

The Company shall disclose the Policy on its website.

Batliboi Limited shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis alongwith the justification for entering into such transaction.

7. **AMENDMENT IN LAW**

Any subsequent amendment/modification in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015, and/or applicable laws in this regard shall automatically apply to this Policy.