

B C C FUBA INDIA LIMITED

COMPANY POLICIES ON RELATED PARTY TRANSACTIONS

1. Preamble

In compliance with the requirements under the Companies Act, 2013 and Rules framed thereunder including any modifications and enactments thereof and also in terms of the provisions of SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors (the “Board”) of B C C Fuba India Limited (the “Company”) has adopted the following policies and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review these Policies and Procedure from time to time and may amend the same as and when necessary and expedient, within the framework of the applicable legislations.

2. Purpose

These policies and procedures are framed to ensure proper approval and reporting of transactions between the Company and its Related Parties as defined under the Companies Act, 2013, Rules framed thereunder and also also in terms of the provisions of SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015. Such transactions are appropriate only if they are in the best interest of the Company and its stakeholders. Further, the Company is required to disclose in the Financial Statements each year pertinent details of transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions

“Audit Committee” or “Committee” means the Audit Committee of the Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 read with the provisions of the Listing Agreement with the Stock Exchanges and as reconstituted from time to time by the Board.

“Board” means Board of Directors of the Company.

“Control” shall have the same meaning as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

“Key Managerial Personnel” or “KMPs” means the Key Managerial Personnel as defined under the Companies Act, 2013 and Rules framed thereunder, which includes the following for the Company:

(i) Managing Director (Chief Executive Officer);

(iii) Director Finance (Chief Financi

“Related Party” means related party is as follows:

i. Such entity is a related party under Section 2(76) of the Companies Act, 2013; or

ii. Such entity is a related party under the applicable accounting standards.

“Related Party Transaction” means the transactions, as detailed below:

i. any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

ii. any transaction between two or more related parties which are not in the ordinary course of business and/or not at arm's length basis, subject to the threshold limits as specified from time to time in terms of Section 188 of the Companies Act, 2013 and Rules framed thereunder and at present, includes the following types of transactions:

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying, property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any service;
- e. Appointment of any agent for purchase or sale of goods, materials, services or property;
- f. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associated company; and
- g. Underwriting the subscription of any securities or derivatives thereof, of the company:

Explanation: For the aforesaid purpose, transaction between related parties at 'arm's length basis' means a transaction which would have been made between two un-related parties in the normal course of business.

"Relative" means relative as defined under the Companies Act, 2013 and includes anyone 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)

4. Policy

All Related Party Transactions must be reported to the Audit Committee for review and referred for prior approval of the Committee, as the case may be, in accordance with this Policy.

4.1 Identification of Potential Related Party Transactions Each Director and Key Managerial Personnel are 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.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.2 Approvals to Related Party Transactions

All Related Party Transactions shall require prior approval of the Audit Committee. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

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 there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

Whether the Related Party Transaction would affect the independence of an independent director;

Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

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.

The Audit Committee may accord omnibus approval to such Related Party Transactions, the need for which cannot be foreseen and/or the details whereof cannot be ascertained before such transaction actually takes place. However, such Related Party Transactions cannot exceed an aggregate amount equivalent to INR 10 Mn or such sum as may be prescribed under the Companies Act, 2013 or Rules framed thereunder and/or under the SEBI Listing Agreement with the Stock Exchanges as amended from time to time and as applicable to the Company. Such omnibus approval shall remain valid for a period of one year from the date of the Audit Committee Meeting, where such omnibus approval has been granted.

If the Audit Committee determines that a Related Party Transaction should be referred to 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 considerations 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.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- i. Any transaction that involves 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 and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

4.3 Review of Related Party Transactions

Related Party Transactions for each quarter shall be referred to the meeting of Audit Committee for review. Any member of the Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the review of the Related Party Transaction.

To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information pertaining to the Related Party Transaction, including terms of the transaction, business purpose of the transaction, benefits to the Company and to the Related Party and any other relevant matters.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Committee shall consider all relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction which has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be uploaded on the website of the Company and a reference thereto will be made in the Financial Statements and Board's Report to the Shareholders.
