



**B.L. KASHYAP AND SONS LIMITED**

**POLICY ON RELATED PARTY TRANSACTION**

*(Last Amendment/Review date: 30.05.2025)*

## 1. PREAMBLE

The Board of Directors of B. L. Kashyap and Sons Limited (“the Company”) has adopted a policy on Related Party Transactions (“Policy”) and procedures with regard to Related Party Transactions (“RPT”) after considering the recommendation of the Audit Committee, in line with the requirements of Companies Act, 2013 (“Act”) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as may be applicable to the Company.

## 2. OBJECTIVE

This policy is framed based on SEBI Listing Regulations and the provisions of the Act and is intended to govern the transactions between the Company and its Related Parties.

The objective of this Policy is to set out:

- a) Materiality thresholds for Related Party Transactions; and
- b) The manner of dealing with the transactions between the Company and its Related Parties.

## 3. DEFINITIONS

**“Arm’s Length Transaction”** means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

**“Audit Committee/Committee”** means Committee of Board of Directors of the Company constituted under the provisions of Listing Regulations and Companies Act, 2013.

**“Board”** means Board of Directors of the Company.

**“Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

**“Key Managerial Personnel”** (as defined in Section 2(51) of the Companies Act, 2013), in relation to the Company, means –

- Chief Executive Officer or the Managing Director or the Manager;
- Company Secretary;
- Whole Time Director;
- Chief Financial Officer;
- 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; and
- such other officer as may be prescribed

**“Ordinary Course of Business”** means a transaction which/wherein–

- is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (‘MoA’) of the Company as amended from time to time, or
- is as per historical practice with a pattern of frequency, or
- is in connection with the normal business carried on by the Company, or
- the income, if any, earned from such activity/transaction is assessed as business income in the Company’s books of accounts and hence is a business activity, or
- is common commercial practice, or
- Meets any other parameters/criteria as decided by the Board/Audit Committee.

**“Policy”** means Related Party Transaction Policy.

**“Material Related Party Transactions”** means transaction / transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, 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 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

**“Material Modification”** means any modification in the existing related party transaction wherein the modification in the approved limit is Rs. 1 crore or 10% of existing approved limit, whichever is higher.

**“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.

**“Deemed Related party”** means the following:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; and
- (b) any person or any entity, holding equity shares:
  - (i) of 10% or more

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year.

**“Relative”**, with reference to any person, means anyone who is related to another, if —

- i. they are members of a Hindu Undivided Family;
- ii. they are husband and wife; or
- iii. one person is related to the other in the following manner- :
  - a. Father (including step-father)

- b. Mother (including step-mother)
- c. Son (including step-son)
- d. Son's wife
- e. Daughter
- f. Daughter's husband
- g. Brother (including step-brother)
- h. Sister (including step-sister)

**"Related party transaction"** means a transaction involving a transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) 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;

regardless of whether 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 the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- (c) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

#### **4. TERMS OF THE POLICY**

All the Related Party Transactions and subsequent material modifications proposed to be entered shall require prior approval of the Audit Committee of the listed entity Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions including the transactions to be entered in the ordinary course of business.

The Audit Committee shall accordingly recommend the Related Party Transaction for the approval of Board of Directors / Shareholders as per the terms of this policy.

## **5. PROCEDURES**

### **5.1 IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

Each Director, Key Managerial Personnel and Senior Management Personnel shall be required to disclose to the Audit Committee any potential Related Party Transaction(s) proposed to be entered into by them or their relatives.

### **5.2 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

#### **A. AUDIT COMMITTEE'S APPROVAL**

All Related Party Transactions ('RPTs') and subsequent material modifications thereof shall require prior approval of the Audit Committee and only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

In case of a Related Party Transaction where subsidiary of the Company is a party, but the Company is not a party, they shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds:

- a) 10% of the annual standalone turnover as per the last audited financial statements of the subsidiary.

Prior approval of the Audit Committee shall not be required for following transactions:

- (a) Transactions entered into between the company and its wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- (b) Transactions 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;
- (c) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

In case the transactions entered into between a holding company and its wholly owned subsidiary which are not in ordinary course of business and/or not on arm's length basis, such transactions shall mandatorily require prior approval of the Audit Committee and only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

#### **B. BOARD'S APPROVAL**

All Related Party Transactions approved by the Audit Committee may be noted by the Board. However, all related party transactions which are not in the ordinary course of business and not in arm's length basis shall be mandatorily approved by passing a resolution at the meeting of the

Board. Where any director is interested in any contract or arrangement with a related party, such director shall not participate in discussions on the subject matter during the meeting relating to such contract or arrangement and shall not vote on the item of business.

### **C. SHAREHOLDERS APPROVAL**

#### **I. Material Related Party Transaction:**

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

However, prior approval of the shareholders of the Company will not be required in the following cases:

- Material Related Party Transactions entered between the Company and its wholly owned subsidiaries, whose accounts are consolidated with the Company and placed before the general meeting for approval of shareholders, shall not require prior approval of shareholders as stipulated under Regulation 23(5) of SEBI Listing Regulations.
- A related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of SEBI Listing Regulations are applicable to such listed subsidiary. For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.
- Transactions 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.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

#### **II. Transactions other than Material Related Party Transactions:**

All transactions, other than the Material Related Party Transactions, which are not in the ordinary course of business and / or not at Arms' Length Basis except Related Party Transactions entered between the Company and its wholly owned subsidiaries, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval of shareholders shall require the prior approval of the shareholders on exceeding the following limits and no related parties shall vote to approve such resolution:

- a) Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to 10% (ten percent) or more of the turnover of the Company;

- b) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% (ten percent) or more of the net worth of the Company;
- c) Leasing of property of any kind amounting to 10% (ten percent) or more of the turnover of the Company;
- d) Availing or rendering of any services, directly or through appointment of agent, amounting to 10% (ten percent) or more of the turnover of the Company;
- e) Appointment of Related Party to any office or place of profit in the Company, its subsidiary Company or associate company at a monthly remuneration exceeding two and a half lakh rupees.
- f) Remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company, exceeding 1% (one percent) of the net worth of the Company.

## **6. OMNIBUS APPROVAL OF RELATED PARTY TRANSACTIONS**

The Audit Committee may grant omnibus approval, pertaining to the transactions in the ordinary course of business, transactions for support service/ sharing of services with Associates Companies, Sub Lease of Office Premises or Office Sharing arrangement with Associate Companies or any other transactions or arrangements as it may deem appropriate, being proposed to be entered into on Arm's Length basis, subject to the following conditions:

- a. The Audit Committee shall grant omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions or criteria's, as the Audit Committee may deem fit;

However, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- d. Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

While assessing a proposal put up before the Audit Committee/Board for approval, the Audit Committee/Board may review the following documents/seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at

arm's length or not:

- Nature of the transaction i.e., details of goods or property to be acquired/transferred or services to be rendered/availed –including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- Key covenants (non-commercial) as per the draft of the proposed agreement/contract to be entered into for such transaction;
- Special terms covered/to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- Benchmarking information that may have a bearing on the arm's length basis analysis, such as: market analysis, research report, industry trends, business strategies, financial forecasts, etc.; third party comparables, valuation reports, price publications including stock exchange and commodity market quotations; management assessment of pricing terms and business justification for the proposed transaction; o comparative analysis, if any, of other such transaction entered into by the company.
- An activity in which a company is ordinarily engaged as its business (A company engaged in the business of giving loans or guarantees, giving loans or guarantees);
- An activity required in conduct of business within normal commercial customs and usages;
- Transactions in the ordinary course of a company's current trade bonafide entered into and completed;
- Transactions which a company carries out frequently and is not a 'one-off' transaction or an isolated transactions;
- Transaction entered into to enable a company remain as a going concern;
- A bonafide transaction done. The contract should be incidental to the business.
- Any normal incident in the course of business and is customary in the course of business. (for example, furnishing guarantee by a company engaged in freight brokerage, to a shipping company, was not considered inthe ordinary course of business)
- Provision in the Memorandum of Association or any legal obligation pursuant to which an activity is undertaken.

Whether a contract is in the ordinary course of business will have to be determined on the facts of each case and by considering the points mentioned above, not in isolation but in combination.

In case the Audit Committee determines that the Related Party Transaction requires the approval of the Board of Directors or Shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction before the Board of Directors for its approval alongwith all the relevant information/ documents pertaining to the same.

The Board shall review the same and shall have the authority to call for such additional information as it may deem appropriate and may approve with or without modification(s) or reject the proposed related party transaction as per the terms of this policy and other applicable



regulatory provisions.

In case, the Board determines that Related Party Transaction requires the approval of the shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the shareholders for its approval along with all the relevant information/ documents pertaining to the same, as per the appropriate regulatory provisions.

## **7. TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL**

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

- (a) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (b) 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.
- (c) Any transaction entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (d) Any transaction in which between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval

## **8. DEVIATIONS**

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 details of such transactions may be placed before the audit committee for ratification. The members of the audit committee, who are independent directors, may ratify related party transactions within 3 (three) months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed Rs. 1 crore;
- (ii) the transaction is not a material related party transaction;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party

transactions to the stock exchanges in terms of the provisions of regulation 23(9) of SEBI Listing Regulations, 2015;

(v) any other condition as specified by the audit committee.

The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including continuation, 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 failure of the internal control systems and shall take any such action it deems appropriate.

In any case, failure to seek ratification of the audit committee or where the Committee determines not to approve a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, rendering the transaction voidable, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

If the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

## **9. DISCLOSURES**

The Company shall disclose the Policy on dealing with Related Party Transactions on its website and provide web link in the Annual Report. In addition to the disclosures required under Accounting Standards, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

The Company shall submit every six months on the date of publication of its standalone and consolidated financial results for the half year ended, disclosures of related party transactions on a consolidated basis, in the specified format, to the stock exchanges and publish the same on its website.

The remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require the above disclosure provided that the same is not a material related party transaction.

## **10. AMENDMENTS AND UPDATES**

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate. In addition to guidelines for ongoing Related Party Transactions, the Audit Committee may, as it deems appropriate and reasonable,

establish from time to time guidelines regarding the review of other Related Party Transactions. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the existing provisions with a new provision or replace this Policy entirely with a new Policy. However, the Board shall review this policy at least once in every three years.

The amended provisions of the Policy shall come into force with effect from the date of Board approval unless otherwise specified in the respective provision of this Policy.

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