



# **BOMBAY METRICS SUPPLY CHAIN LIMITED**

## **POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

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[Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### I. INTRODUCTION

Bombay Metrics Supply Chain Limited (“**Company**” or “**BMSCL**”) recognizes that Related Party Transactions (*as defined hereinafter*) can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its stakeholders. Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 (“**Companies Act**”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) as amended from time to time, the Company has adopted this Policy regarding the review and approval of Related Party Transactions and to set forth the guidelines on materiality of such Related Party Transactions .

### II. DEFINITIONS

“**Arm’s Length Transaction**” means a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of the Company as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) and the Act, from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Financial Year**” means the period beginning April 1 of every calendar year and ending on March 31 of the succeeding calendar year.

“**Relative**” shall have the same meaning as defined in section 2(77) of the Act.

“**Related Party**” shall have the meaning given to it under the LODR Regulations.

“**Related Party Transaction**” shall have the meaning as given under Regulation 2(1)(zc) of the LODR Regulations which means a transfer of resources, services or obligations between a Company 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 and includes a related party transaction within the meaning of Companies Act.

“**Material 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 ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

However, 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 ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

**“Significant Influence”** means control of at least 20% (twenty percent) of the total share capital, or of business decisions under an agreement.

**“Subsidiary Company” or “Subsidiary”** shall have the same meaning as defined in section 2(87) of the Act

**“Ordinary course of business”** means usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum of Association & Articles of Association.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, LODR Regulations or any other applicable law or regulation and as amended from time to time.

### **III. PROCESS AND PROCEDURE FOR DEALING WITH RELATED PARTY TRANSACTIONS**

- a) All Related Party Transactions and amendments or modifications thereto shall require prior approval of the Audit Committee.
- b) The Audit Committee may grant omnibus approval to Related Party Transactions (subject to fulfillment of criteria for granting omnibus approval as specified in this policy) and such approval shall equally be applicable to transactions thereunder which are repetitive in nature.
- c) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- d) Any member of the Audit Committee interested in any Related Party Transaction shall not vote to approve the Related Party Transaction.
- e) Such omnibus approval shall provide for the following details:
  - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 as the audit committee may deem fit:  
Provided that 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 rupees one crore per transaction.
  - iv. such other information/conditions as the Audit Committee may deem fit. Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval subject to the value not exceeding INR 1,00,00,000/- (Indian Rupees One Crore only) per Transaction.
- f) The Audit Committee shall review, at least once every quarter, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given by the Audit Committee.
- g) Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year.
- h) Approval of the Board shall be required for entering into the Related Party Transactions which are not in the ordinary course of business or not an Arm's Length Transaction.
- i) Approval of the shareholders shall be required for entering into the Related Party Transactions which are either a material transaction as per Regulation 23 of LODR or not in the ordinary course of business, or not on arms' length and exceeding the limits prescribed under the Act read with the rules framed thereunder and the circulars/notifications, etc. issued by the Ministry of Corporate Affairs, from time to time.

Further, no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

However, the said requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

- j) The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year; disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
- k) In the event a Related Party Transaction is covered by applicable provisions of the Act, the Company shall comply with such provisions including requirements as prescribed under the SEBI (LODR) Regulations, 2015.

#### **IV. DISCLOSURE**

The particulars of contracts or arrangement with Related Parties referred to in section 188(1) of the Act shall be disclosed in the report of the Board as per Section 134 of the Act. Further, the Company shall provide additional disclosures on related party transactions as required under Regulation 23 of the SEBI (LODR) Regulations, 2015.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year; disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website

#### **V. 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 in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

**VI. POLICY REVIEW**

This Policy shall be subject to review and changes as may be deemed necessary by the Board of Directors and to comply with any regulatory requirements.

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