

Policy on Related Party Transactions

1. Introduction

The Board of Directors (the 'Board') of B & A Packaging India Limited (the 'Company') has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Board shall review and amend this policy from time to time.

The policy will be applicable to the Company effective from 1st October 2019. This policy is aimed at to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company and also provides for materiality of Related Party Transactions.

2. Purpose

This policy is framed based on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time hereinafter referred to as SEBI (LODR) and primarily intended to ensure the governance and reporting of transactions between the Company and its Related Party/Parties.

3. Definitions

'Audit Committee or Committee' shall mean 'Audit Committee of Directors' constituted by the Board of Directors.

'Board of Directors or Board' shall mean the Board of Directors of B & A Packaging India Limited as constituted from time to time.

'Compliance Officer' shall mean a person who has been appointed by the Company as Compliance Officer pursuant to Regulation 6 of the SEBI LODR.

'Key Management Personnel' (KMP) shall mean Key Managerial Personnel as defined under the Companies Act' 2013 and the Rules framed thereunder.

'Policy' means Related Party Transaction Policy.

'Related Party' shall mean any person or entity related to the Company as defined under Section 2(76) of the Companies Act' 2013 or under applicable Accounting Standards.

Provided that:

(a) any person or any entity belonging to promoter group of the Company; or

(b) any person or any entity, holding equity shares in the Company:

(i) twenty per cent or more; or

(ii) ten per cent or more, with effect from April 1, 2023 in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, during the immediate preceding financial year shall be deemed to be a related party.

'Related Party Transaction' shall mean any transfer of resources, services or obligations between:

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

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(ii) the Company or any of its subsidiaries on one hand, and any person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;

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.

Provided that the following shall not be a related party transaction:

- (a) issue of specified securities,
- (b) the following corporate actions by the Company which are uniformly applicable to all shareholders of the Company in proportion to their shareholdings:
 - (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.

‘Material Modification’ to an existing related party transaction shall mean any alteration or change in the original terms and conditions of the transactions altered by the Audit Committee including value and periodicity of the transaction.

All other words and expressions used but not defined in the policy but defined in the Companies Act’ 2013 or Securities & Exchange Board of India Act’ 1992 and/or rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Act’s or rules and regulations or any statutory modifications or re-enactment thereto, as the case may be.

‘Material Related Party Transaction’ shall mean related party transaction/transactions entered into individually or taken together with previous transactions during a financial year which exceeds the thresholds prescribed in the SEBI LODR including all amendments and modifications thereof from time to time.

4. Policy

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this policy. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company.

4.1 Identification of Potential Related Party Transaction

Each Director and KMP will be responsible for providing Notice to the Compliance officer of any potential Related Party Transaction involving him or his relative, or otherwise, including any additional information about the transaction that the Board/Audit Committee may request, to be placed before the Audit Committee and the Board. The Board shall record the disclosure of interest and the Audit Committee will determine whether the proposed transactions would, in fact, constitute a Related Party Transaction requiring compliance of the policy.

The Company shall prefer to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee gets adequate time to obtain and review

information about the proposed transaction.

4.2 Review and Approval of Related Party Transactions

A. Related Party(s) transactions and any subsequent modifications in the ordinary course of business and on an arms-length basis:

(i) All Related Party(s) transactions and any subsequent material modifications thereto in the ordinary course of business and at arm's length shall be subject to the prior approval of the Audit Committee and within the threshold limits. Further, any subsequent modification to any terms of conditions of the transactions with related parties shall require approval of the Audit Committee. Only Independent Directors who are members of the Audit Committee shall approve Related Party Transactions.

(ii) Related Party Transaction above Rs. 1 crore whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party, but the Company is not a party, 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 the lower of the following:

- a. ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; OR
- b. the threshold for material related party transactions of listed entity as specified in definition of Material Transaction in this policy.

In the event subsidiary does not have audited financial statements for a period of at least one-year, prior approval of the Audit Committee shall be obtained if the value of such transaction exceeds the lower of the following:

- i. ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; OR
- ii. the threshold for material related party transactions of listed entity as specified in definition of Material Transaction in this policy.

The aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of the Audit Committee meeting in which the approval will be accorded.

The approval of the Audit Committee of the Company shall not be required for the transactions entered into between the Company and its wholly owned subsidiary or 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. Further, transactions involving payment of statutory dues, statutory fees or statutory charges entered into between the Company and the Central Government or any State Government of any combination thereof, shall not require approval of the Audit Committee.

The Audit Committee shall review on a quarterly basis, the details of the Related Party Transactions entered into by the Company or its subsidiary pursuant to the omnibus approvals given. The omnibus approvals by the Audit Committee shall be valid for a period of not exceeding one year and shall require fresh approvals after the expiry of one year.

The omnibus approval granted by the shareholders for material transactions as per the Listing Regulations in the annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, or rules,

notifications, or circulars issued thereunder from time to time. Further, in case of omnibus approvals for material transaction as per the Listing Regulations, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

However, 'Related Party Transactions' entered between the listed subsidiary of the Company and approved by the Audit Committee of the Subsidiary will not be referred to the Audit Committee of the Company.

All "Material Related Party Transactions" shall require prior approval of the shareholders by means of Ordinary Resolutions and the Related Parties shall abstain from voting on such resolutions.

However, 'Material Related Party Transactions' between the listed subsidiary when the Company is not a party would not require approval of the shareholders of the Company.

4.3 Information to be provided at the time of seeking approval of the Audit Committee and/or Board, and the Shareholders of the Company, as the case may be:

The Audit Committee and/or Board, as the case may be, shall be provided with the information as specified in the Act, SEBI LODR, Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" and framework on Related Party Transactions, while placing any proposal for review and approval for entering into Transactions with Related Party(s).

Further, the Audit Committee and/or Board may call for such additional information as may deemed to be fit for granting approval to such transactions.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Act and SEBI LODR, include the following information as a part of the explanatory statement:

- a. Minimum information as prescribed under the Industry Standards;
- b. The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of the Company and affirm that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision making.
- c. Justification for why the proposed transaction is in the interest of the Company, basis for determination of price and other material terms and conditions of RPT;
- d. Disclosure of the fact that the Audit Committee had reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Company as required under the Industry Standards;
- e. Disclosure that the material RPT or any material modification thereto, that had been approved by the Audit Committee and the Board of Directors recommended the proposed transaction to the shareholders for approval;
- f. Provide web-link and QR Code, through which shareholders can access the valuation report or other external report, if any, considered by the Audit Committee while approving the RPT; and
- g. Any other information that may be relevant.

4.4 Decision regarding transaction in ordinary course of business and on arm's length basis

The Audit Committee or the Board shall in respect of any Related Party Transaction referred to them for approval judge whether the transaction will be entered in the ordinary course of business or at arm's length basis after considering the materials placed before them. In case Audit Committee can't arrive at a decision it will be referred to Board whose decision will be final in this regard.

4.5 Material Related Party Transaction

The Audit Committee shall review all transactions with Related Parties and refer to the Board all Material Related Party Transactions for approval of the shareholders.

In compliance with the SEBI LODR, approval of the shareholders through resolution shall be taken for all such Material Transactions with Related Party(s) and such Related Party(s), irrespective of whether the entity is a party to a particular transaction or not, shall not vote to approve such resolutions.

5. Related Party Transactions not approved under the Policy

In the event the Company enters into a transaction with a related party that has not been approved under this policy the matter shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction in the best interest of the Company and the options available including ratification, revision or termination of the transaction and shall take any action as the Committee may deem appropriate.

6. Review and Amendment

The Board shall review the policy once in every three years and update it if required.

The Board shall have the full authority to modify or waive any procedural requirements of this Policy subject to the guidelines issued by Securities and Exchange Board of India from time to time.

7. Communication

This policy will be communicated to all operational heads and other concerned persons of the Company and shall be placed on the website of the Company at <https://www.bampl.com> and a web link will be provided in the next Annual Report of the Company.