



**POLICY ON MATERILITY OF RELATED PARTY TRANSACTIONS AND
ON DEALING WITH RELATED PARTY TRANSACTIONS OF
BANSAL ROOFING PRODCUTS LIMITED**

(Effective from 1st January, 2022)

1. PURPOSE OF THIS POLICY

- A. Bansal Roofing Products Limited ("BRPL" or "Company") is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.
- B. Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties (as defined below).
- C. 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 turnover of the Company as per the last audited financial statements of the Company.
- D. Bansal Roofing Products Limited has framed this Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out;

- a) The materiality thresholds for related party transactions and
- b) The manner of dealing with the transactions between the Company and its related parties based on the Act, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

"Arm's Length Transaction ('ALT')" means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

"Ordinary Course of Business (OCB)" means a transaction which 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
- Historical practice with a pattern of frequency, or
- Common commercial practice, or
- Meets any other parameters/ criteria as decided by the Board/ Audit Committee.

“Material Related Party Transactions” will have the same meaning as defined in Regulation 23.

“Relative” in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act.

“Related Party” will have the same meaning as defined under Section 2(76) of the Act.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term “Related Party”

“Related Party Transactions” mean all transactions between the Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act and/ or SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

“Key Managerial Personnel” means

- a) the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-Time Director;
- b) the Company Secretary;
- c) the Chief Financial Officer.

“Board of Directors or Board” means the collective body of the Directors of the Company;

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and regulation 18.

“Chief Executive Officer (CEO)” means an officer of the Company as defined in Section 2(18) of the Act;

“Chief Financial Officer (CFO)” means a person of the Company as defined in Section 2(19) of the Act;

“Company Secretary (CS)” means a Company Secretary as defined in Section 2(24) of the Act;

“Managing Director” means Managing Director as defined in Section 2(54) of the Act;

“Whole-time Director” means Whole-time Director as defined in Section 2(94) of the Act;

“Transaction” shall be construed to include single transaction or a group of transactions in a contract;

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

Approval of Related Party Transactions

A. Audit Committee

- 4.A.1. All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- 4.A.2. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders as discussed.
- 4.A.3. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- 4.A.4. The Audit Committee shall review, on a Half yearly basis, the details of Related Party Transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.
- 4.A.5. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

B. Board of Directors

- 4.B.1 In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

- 4.C.1 If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.
- D. In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under

applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

E. Reporting of Related Party Transactions

4.E.1. Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

4.E.2. The details of all transactions with related parties shall be submitted on a consolidated basis, in the format specified in the relevant accounting standards, half yearly to the stock exchanges and the same shall be published on the Company's website.

5. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

6. Disclosure of the Policy

This Policy will be uploaded on the website of the Company