

POLICY ON RELATED PARTY TRANSACTION

Scope and purpose of the Policy:

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

Objective of the Policy:

The objective of this Policy is to set out the following:

- 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, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

Definitions:

- “Act” means the Companies Act, 2013.
- “Regulation 23” means the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- “Arm Length Transaction” means the transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- “Ordinary course of business” means the 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 Memorandum &



Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

- **“Company”** means B&B Triplewall Containers Limited.
- **“Related Party Transaction”** have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as means transfer of resources, services or obligations between a listed entity and a related party, 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, including but not limited to the following –
 - 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 services;
 - e) appointment of any agent for purchase or sale of goods, materials, services or property;
 - f) appointment to any office or place of profit in the company g. underwriting the subscription of any securities or derivatives thereof, of the company.
- **“Related Party”** A person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and / or operating decisions and includes the following:
 - a director of the Company (hereinafter referred to as director) or his relative;
 - a Key Managerial Personnel of the Company (hereinafter referred to as KMP) or his/her relative;
 - a firm, in which a director, manager or his relative is a partner;
 - a private company in which a director or manager is a member or director;
 - a public company in which a director or manager is a director and holds, along with his relatives, more than 2% of its paid-up share capital;
 - any bodies-corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
 - any person on whose advice, directions or instructions a director or manager is accustomed to act;
 - any company which is a. a holding, subsidiary or an associate company of such company; or b. a subsidiary of a holding company to which it is also a subsidiary



- a director or key managerial person of the holding company or his relative; and
- any entity is a related party under applicable accounting standards.
- **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- **“Material Related Party Transaction”** means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company .
- **“Key Managerial Personnel”** shall have the meaning as defined in the Companies Act 2013

Manner of dealing with Related party transaction:

- **Identification of Related party:** The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.
- **Identification of Related party transaction:**
 - Directors and KMP of the Company shall disclose to the Company Secretary in form MBP-1, at the time of appointment, beginning of every financial year and whenever there is change in the disclosure so made.
 - The Chief Financial Officer at the beginning of every financial year shall provide the information to the Company Secretary about the related parties within B&B Triplewall Containers Limited and subsequent changes therein forthwith and proposed transaction with the related parties certifying that such transactions are at Arm’s Length and in ordinary course of business.
 - The proposed transactions shall be placed before the Audit Committee for its prior approval.

Procedure for approval of related party transaction:

Approval of Audit Committee:

- a) Every Related Party Transaction shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards.

Provided that the transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require prior approval of the Audit Committee.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the conditions contained in Listing Regulations and Companies Act, 2013 and Rules made thereunder, as amended from time to time.

The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

- b) The Audit Committee shall also review the statement of significant Related Party transactions submitted by management as per its terms of reference.
- c) Any member of the Committee who has a potential interest in any Related Party Transaction shall not remain present at the meeting when such Related Party Transaction is considered.
- d) To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.
- e) The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.



Approval of Board of Directors:

- a) The Related Party Transactions which are not in the ordinary course of business or are in the ordinary course of business but are not Arm's Length transactions shall require prior approval of the Board.
- b) Where any Director is interested in any Related Party Transactions, such Director will abstain from discussion and voting on the subject matter of the resolution relating to such transaction.
- c) All the Material Related Party Transactions shall be considered and approved by the Board of Directors before placing them before the Shareholders for their approval except for those transactions that do not require approval under Section 177 and 188 of the Companies Act 2013.

Approval of Shareholders:

- a) All the Related Party Transactions which exceeds the limit as prescribed under Section 188 of the Act read with Rule 15 of Companies (Meetings of Board and its Powers) Rules shall be placed for shareholders' approval by way of resolution.
- b) Any shareholder which is a Related Party in the context of the proposed Related Party Transaction shall abstain from voting on such resolution in terms of the provisions of the Act.

Disclosure:

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction. In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold on a quarterly basis to the stock exchanges.

Review of the Policy:

The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

NOTE: This Policy has been approved by the Board of Director in a Board Meeting held on August 03rd, 2018 and this policy will be applicable when Shares of the Company gets listed.
