

Bombay Potteries and Tiles Limited



Policy On Transactions with the Related Parties



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(Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. PREAMBLE:

Bombay Potteries & Tiles Limited (“Company”) recognises that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s interests. Therefore, this Policy has been adopted by the Company’s Board of Directors, as recommended by the Audit Committee, to determine the manner of dealing with Related Party Transactions including determination of materiality of Related Party Transactions, Material Modifications (as defined below), and setting forth the procedures under which certain transactions must be reviewed and approved as per the applicable provisions of Companies Act and SEBI LODR Regulations as detailed below.

2. OBJECT:

This policy is intended to ensure the proper approval and reporting of transactions between the Company and the Related Parties. Such transactions are appropriate only if they are in the interest of the Company and the stockholders. The Company is required to disclose the transactions between the Company and Related Parties. In addition, the Audit Committee and the Board will review any Related Party Transactions involving non-employee directors as part of the annual determination of their independence.

The Committee / Board will review and may amend this policy from time to time.

3. DEFINITIONS:

- a) **“Act”** means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force.
- b) **‘Applicable Law(s)’** includes (a) the Act and the rules made thereunder; (b) SEBI LODR and (c) any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.
- c) **“Audit Committee”** or **“Committee”** means the Audit Committee as constituted by Board of Directors of the Company under applicable law;
- d) **“Board”** or **“Board of Directors”** means the Board of Directors of the Company, as constituted from time to time;
- e) **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Act and applicable accounting standards, and related parties of Listed Holding Company and its subsidiaries.
- f) **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.



- g) **“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 its 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.

4. IDENTIFICATION OF POTENTIAL RELATED PARTIES:

The Company shall identify the Related Parties and the transactions with the Related Parties as follows:

- Every Director and Key Managerial Personnel shall be responsible for providing to the Board or the Audit Committee, a list of his/her related parties, at the time of his/her appointment, on an annual basis and whenever there is a change in the information already submitted.
- The list of Promoters and Promoter Group shall be as per disclosure/s under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
- Each Subsidiary of the Company shall provide its list of Related Parties and changes therein to the Company promptly.
- The Company shall review and update the list of Related Parties regularly and changes, if any, shall be considered as soon as possible.

5. POTENTIAL RELATED PARTY TRANSACTIONS:

Each director, nominee for director and Key Managerial Personnel is responsible for providing written notice to the Board of Directors of any potential Material. Related Party Transaction involving him or her or his or her Relative(s), including any additional information about the transaction that the Board may reasonably request. The Board after discussion among themselves and if required, in consultation with the outside counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential Material Related Party Transaction well in advance so that the Chief Financial Officer /Head of Finance has adequate time to obtain and review information about the proposed transaction and to refer it to the appropriate approval authority.

The CFO/ Head of Finance of the Company shall ensure that the Related Party Transactions entered into by the Company are supported by the requisite documentation to substantiate the compliance with policy.

At every Audit Committee Meeting, the Chief Financial Officer of the Company shall certify to the Committee that the transactions entered into in the reporting quarter were in ordinary course of business and at arm's length in terms of the aforesaid policy and in other cases approval of the Audit Committee, the Board and the shareholders, as applicable has been obtained.



6. MATERIALITY THRESHOLDS:

Material Related Party Transactions as defined in this policy, which are not in ordinary course of business and / or at arm's length basis, shall require prior approval of the shareholders through a resolution.

7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or any other manner as provided by the Act and Rules made thereunder.

a) Omnibus approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to compliance with following conditions:

- The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- The omnibus approval shall contain or indicate the following: -
 - a) name of the related parties;
 - b) nature and duration of the transaction;
 - c) maximum amount of transaction that can be entered into;
 - d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:
- The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given.
- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- Any other conditions as the Audit Committee may deem fit.

b) Approval of Audit Committee

- Subject to the omnibus approval process under Regulation 23(3) of the SEBI LODR Regulations, all Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee.
- Prior approval of the Audit Committee shall not be required for RPTs which are exempt from approvals under SEBI LODR, unless such approvals are required under the Act.
- Where any member of Audit Committee / Director is interested in any contract or arrangement with a Related Party, such member / Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- Only members of the Audit Committee who are also Independent Directors shall approve the Related Party Transaction.



c) Approval of the Board of Directors

The following transactions shall require approval of the Board duly recommended by the Audit Committee:

- All transactions with Related Parties specified under Section 188 of the Companies Act, which are not in ordinary course of business or not at arm's length, or both.
- All transactions with Related Parties that are required to be placed before the shareholders for approval under the Companies Act or SEBI LODR Regulations.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which, as per the Policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- All transactions with Related Parties specified under Section 188 of the Companies Act, which are not in ordinary course of business or not at arm's length, or both.
- Material RPTs, which are intended to be placed before the shareholders for approval.

d) Approval of the Shareholders of the Company

- All Material Related Party Transactions and any subsequent Material Modifications made thereto shall require prior approval of the shareholders through a resolution and all the Related Parties shall not vote to approve such resolutions whether the company is a Related Party to the particular transaction or not.
8. All Related Party Transactions specified under Section 188 of the Companies Act, which are not in ordinary course of business or not on arm's length basis and exceed the threshold limits specified thereunder shall require prior approval of the shareholders through a resolution and voting restrictions for this purpose would be governed by the Companies Act and SEBI LODR Regulations as amended from time to time.

9. RATIFICATION OF RELATED PARTY TRANSACTIONS:

In case if Related Party Transaction (RPT) is not approved (prior / omnibus) by the audit committee, then the audit committee can ratify the said RPT within 3 months from entering into the transaction (or) in the immediate next meeting, whichever is earlier, subject to fulfilment of 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 rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23;



- (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 in terms of the provisions of sub-regulation (9) of Regulation 23 of SEBI LODR regulations;
- (v) any other condition as specified by the audit committee:

In case RPT is not ratified, then such transaction will be voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

10. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

- (i) 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 of the relevant facts and circumstances regarding the RPTs, 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 RPTs to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.
- (ii) In case any transaction involving any amount not exceeding ₹ 1 crore is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within 3 months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.
- (iii) In cases where the Board and/or shareholders' approval is required for a Related Party Transaction but such approval has not been obtained, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such Related Party Transaction was entered into, such Related Party Transaction shall be voidable at the option of the Board or, as the case may be, of the shareholders.
- (iv) Without prejudice to anything contained in Section 188(3) of the Act, it shall be open to the Company to proceed against a Director or any other employee who has entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract / arrangement.

11. REPORTING & REVIEW REQUIREMENTS:

- a) All Related Party Transactions must be reported to the Chief Financial Officer / Head of Finance.



- b) Disclosure shall be made in accordance with the provisions of the Act, Listing Regulations and Accounting Standard.
- c) The Company shall submit the disclosure of related party transactions in the format specified under the Act, Listing Regulations and Accounting Standard.
- d) The Company Secretary is authorized to amend the Policy to give effect to any changes / amendments notified under the Act, the Listing Regulations and the Accounting Standard.
- e) The amended Policy shall be circulated to the Board for noting and ratification.

12. AMENDMENTS:

The Board may subject to applicable laws, amend any provisions(s) or substitute any of the provisions(s) with the new provision(s) or replace the RPT Policy entirely with a new policy. The RPT Policy is subject to review from time to time. In the event of any conflict between the provisions of this RPT Policy and applicable laws, the provisions of such applicable laws shall prevail over this Policy.

Effective Date: November 12, 2025

Date of the approval by the Board: November 12, 2025

