

POLICY ON RELATED PARTY TRANSACTIONS

(Amended version with effect from April 01, 2022)

1. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to be effective from 1st December, 2015 (hereinafter referred to as SEBI Regulations, 2015) including any amendments and modifications, from time to time.

BLS International Services Limited has formulated revised guidelines for identification of related parties and for proper conduct and documentation of all related party transactions.

Moreover, Regulation 23(1) of SEBI Regulations, 2015 requires a listed company to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

In the light of the above, BLS International Services Limited has revised its Policy on Related Party Transactions ("Policy"). This Policy has been approved by the Members in Annual General Meeting held on 23rd September, 2016 of the Company based on recommendations of the Audit Committee and approval of Board of Directors of the Company. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board. This policy is intended to ensure procedural fairness, proper approval and reporting of transactions between the Company and any of its related parties.

2. ABOUT THE COMPANY:

BLS International Services Ltd ('The Company' or 'BLS') is engaged in activities of providing Passport and VISA Facilitation Services. The Company is a specialist provider for Outsourcing of Visa, Passport and Attestation Services to the Client Governments across the world. BLS serves the Diplomatic Missions by managing all administrative and non-judgmental tasks related to the entire life cycle of a Visa Application Process, enabling missions to focus entirely on the key aspects of assessment of the Visa Application and conduct interviews, where required. BLS assists in scheduling interviews.

Over the years, BLS has built up a substantial reputation and is actively engaged in activities of providing Passport and VISA Facilitation Services.

3. OBJECTIVE OF THE POLICY:

The objective of this Policy is to set out:

- (a) the materiality thresh-holds for Related Party Transactions and;
- (b) the manner of dealing with the transactions between the Company and its Related Parties based on the Companies Act 2013, Regulation 23 of SEBI Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

4. DEFINITIONS:

- (a) "**Act**" shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications or re-enactment thereof.
- (b) "**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.
- (c) "**Associate Company**" means any other company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company.

Explanation — for the purpose of this clause, "Significant Influence" means Control of at least twenty per cent of total voting power, or control of or participation in business decisions under an Agreement.

- (d) "**Audit Committee**" means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of SEBI Regulations, 2015.
- (e) "**Company**" means BLS International Services Limited.
- (f) "**Key Managerial Personnel**" means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made there under.
- (g) "**Material Related Party Transaction**" means a material transaction as defined in Regulation 23(1) of SEBI Regulations, 2015 or any other law or regulation including any amendment or modification thereof, as may be applicable.
- (h) "**Related Party**" shall mean:
 - (i) a related party under Section 2(76) of the Companies Act, 2013;, including any modification and amendments thereof from time to time,
or

- (ii) a related party under applicable Indian accounting standards; including any modification and amendments thereof from time to time,
or
- (iii) a related party under Regulation 2 (zb) of the SEBI Regulations, 2015 including any modification and amendments thereof from time to time,

(i) **"Related Party Transaction"**

As defined under applicable Indian accounting standards or Regulation 2(1) (zc) of Listing Regulations or shall mean all the transaction as specified under Section 188 of the Act and rules prescribed thereunder as amended time to time.

- (j) **"Relative"** means relative as defined under sub-section (77) of section 2 of the Act as amended from time to time.
- (k) **"Subsidiary"** means a subsidiary as defined under sub-section (87) of section 2 of the Act as amended from time to time

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Regulations, 2015, Securities Contracts Regulation Act or any other applicable law or regulation.

5. MATERIAL RELATED PARTY TRANSACTION:

"Material Related Party Transaction" shall mean a transaction to be entered into with and between Related Parties, individually or taken together with previous transactions during a financial year, exceeding the threshold of:

- 5% of the annual consolidated turnover of the Company as per its last audited financial statements, in case of transactions involving payments made with respect to brand usage or royalty, or
- Rs. 1000 crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower, in case of any other transaction(s),

Also, Material Modification to such Related Party Transaction means:

- a) Change in overall transaction value of Related Party Transaction beyond 50 % or
- b) Change in price of goods and services beyond 50 % or
- c) Substantially changes or extension in tenure/ duration of Related Party Transaction as considered by Audit Committee.
- d) As may be decided by the Audit Committee on case-to-case basis

6. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS:

A. Ascertaining Related Party:

I. Every director/KMP shall at the first meeting of the Board in which he participates as a director/KMP and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding in Form MBP-1.

II. Company Secretary, based on the declaration in MBP-1 and other available information shall identify all related parties.

III. All of the subsidiaries of the Company, before entering into a Related Party Transaction which may require approval of the Audit Committee & members of the Company under this Policy, to the attention of the Company about such proposed Related Party Transaction(s), so that the requisite approvals shall be obtained by the Company.

Company Secretary shall at all times maintain a database of Company's Related Parties in Management Information System (MIS) & it shall be updated whenever necessary and shall be reviewed in each quarter.

B. Identification and validation of Related Parties Transaction:

I. Every Director, KMP, Divisional CEO/CFO & the Departmental Heads will be responsible for providing prior Notice to the Company Secretary/CFO of any potential transaction with Related Party.

II. The Divisional CEO/CFO & the Departmental Heads shall submit to the Chief Financial Officer the details of all existing/proposed transaction along with supporting information as per Table-A below:

Table-A	
Details required for Approval of Audit Committee	
S No.	Particulars
1	The name/s of the Related Party
2	Nature of transaction
3	Period of transaction
4	Maximum amount of transaction that can be entered into
5	The indicative base price/current contracted price and the formula for variation in the price, if any.
6	Such other conditions/ information as required under the Act and SEBI Regulations, 2015, as amended from time to time

III. Chief Financial Officer shall submit his notes to the Audit Committee giving his comments as to whether existing/proposed transaction(s) are on arms' length basis and in ordinary course of business.

IV. Audit Committee will give due consideration to Chief Financial Officer notes while deciding whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

C. Review and approval of Related Party Transaction

a) The Audit Committee shall consider the following factors while deliberating the Related Party Transactions for its approval: -

- i. Name of Party and details explaining nature of relationship;
- ii. Name of the Director or KMP, who is related, if any;
- iii. Nature of Transaction and material terms thereof including the value, if any;
- iv. Business rationale for entering into such transaction;
- v. Chief Internal Auditor's report and supporting documents as Table-A;
- vi. Nature, material terms, monetary value and particulars of contract or arrangement;
- vii. Fair and on arm's length basis;
- viii. Whether the Related Party Transaction would affect the independence of an Independent Director and;
- ix. Any other information relevant or important for the Committee to take a decision on the proposed resolution including but not limited to the conditions/ information as required under the Act and SEBI Regulations, 2015, as amended from time to time.

b) All Related Party Transactions should be pre-approved by the Audit Committee and only those members of the Audit Committee who are Independent Directors shall vote to approve such transaction. However Audit Committee may grant **Omnibus Approval** for Related Party Transactions proposed to be entered into by the Company after satisfying itself the need of such Omnibus Approval and best interest of the Company.

c) The Omnibus Approval, as specified above, shall be subject to following conditions:

- I.** The aggregate amount of transactions/any particular transactions approved/to be approved under Omnibus Approval shall not exceed the limit specified by the Audit Committee of the company.
- II.** The approvals so granted shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such year.
- III.** Omnibus approval shall not be granted in respect of following transactions:
 - i. Selling or disposing of any of the undertaking(s) of the Company;
 - ii. Any transaction which is non-repetitive in nature;

- iii. Any other transaction which the Audit Committee deems unfit for Omnibus Approval.

d) In case the need for Related Party Transaction cannot be foreseen and aforesaid details as per Table-A are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction and subject to condition as mentioned under Clause 6 C (c)(III) above.

e) Following Related Party Transactions shall require the approval of Board:

- i. 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;
- ii. Where the transaction(s) as specified in Section 188(1) of the Act is not in ordinary course of business and/ or not at arm's length; 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; and
- iii. All Related Party Transactions which are intended to be placed before the shareholders for approval.

f) Further, a related party transaction 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 ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity.

With effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

D. Approval of the Shareholders of the Company

All transactions with Related Parties beyond the materiality threshold limit, laid down in Clause 5 of the Policy and subsequent material modifications thereof would be placed before the Shareholders for approval, irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm's length.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the threshold limits laid down in Companies (Meetings of Board and its Powers) Rules, 2014, would be placed before the shareholders for their approval.

The Shareholders' approval (by Ordinary Resolution) will not be required for related party transactions between BLS International Services Limited and its wholly-owned subsidiaries whose accounts are consolidated and placed before the Shareholders at a General Meeting for approval. Presently, accounts of all wholly owned subsidiaries are consolidated and BLS Consolidated Financial Statements are placed before the Shareholders for adoption/approval at the Annual General Meeting.

7. DISCLOSURES:

- Every material RPT or RPT which is not on Arm's Length basis or such other details as may be required under the Act or SEBI Regulations shall be disclosed in the Annual Report with proper justification for entering into such transactions.
- Details of RPTs shall be submitted to the stock exchanges in the format as specified by SEBI from time to time on half-yearly basis and copy of the same will be posted on the website of the Company.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- The company shall disclose the policy on dealing with RPTs on its website and a web link thereto shall be provided in the Annual Report.

A register of RPTs shall be maintained as per the Act and placed before the next Board Meeting and signed by all the directors present at the Meeting.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

Subject to the provisions of the Act, 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 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 as 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 for the loss suffered by the related party, 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.