

BENCHMARK COMPUTER SOLUTIONS LIMITED

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POLICY ON RELATED PARTY TRANSACTION

OUR VISION

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred as SEBI (“LODR”) Regulations, 2015, ***Benchmark Computer Solutions Limited*** has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a Company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, ***Benchmark Computer Solutions Limited*** has framed this Policy on Related Party Transactions (“Policy”) and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

The Company is committed to monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

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, Regulation 23 of SEBI (LODR) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

DEFINITIONS

- (a) **Audit Committee or Committee**

“Audit Committee or Committee” means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of the SEBI (“LODR”) Regulations, 2015 and Section 177 of the Companies Act, 2013.

(b) Arm’s Length Transaction:

Arm’s Length Transaction means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict to interest.

(c) Ordinary Course of Business:

“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.

(d) Material Related Party Transaction:

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 ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or if exceeds Rs.1000 Cr. whichever is lower.

(e) Related Parties:

All persons or entities forming part of Promotor or Promotor Group irrespective of their shareholding; and

Any person/entity holding equity shares in the listed entity, either directly or on a beneficial interest basis at any time during the immediately preceding FY:

To the extent 20% or more;

To the extent of 10% or more [w.e.f.1st April, 2023]

(f) Key Managerial Person:

“Key Managerial Personnel”, in relation to a company, means—

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Company Secretary;
- (iii) The whole time director;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed.

(g) Relative

With reference to any person, means anyone who is related to another, if—

- (i) They are members of a Hindu Undivided Family;
- (ii) They are husband and wife; or
- (iii) One person is related to the other in such manner as may be prescribed under Section 2 (77) of the Companies Act, 2013 and rules made thereunder;

(h) Related Party Transaction:

“Related Party Transaction” Means transactions entered between the following

parties:

- I] A listed entity or its Subsidiary-Related Party of listed Entity or its Subsidiary;
- II] A listed entity or its Subsidiary—Any other person or entity with the purpose and effect to benefit the listed entity or its Subsidiary w .e.f.1st April, 2023.

Such transactions shall be considered as RPTS regardless of whether a price is charged or whether the transaction is a single transaction or a group of transactions.

Identification of Related Party Transactions

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/ her or his or her relative, including any additional information about the transaction that the Audit Committee may request.

The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

REPORTING REQUIREMENTS BY MEMBERS OF THE BOARD

- Members of the Board should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- The Company would ensure that All Related Party Transactions are pre approved by the Audit Committee.

[Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. Provided further that: (a) the audit committee of a listed entity shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions; (b) 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 consolidated turnover, as per the last audited financial statements of the listed entity; (c) 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 percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary; (d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary. Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of

the listed subsidiary shall suffice]

- The members of the Board and the key managerial persons shall disclose to the Board whether they have a material interest in any transaction or matter affecting the Company.
- The Board and the key managerial persons shall conduct themselves in such a manner so as to meet the expectations of operational transparency to stakeholders while at the time maintain confidentiality of information in order to foster a culture for good decision making.
- The Board of Directors shall collectively monitor and manage potential risk of conflicts of interest of management, board members and shareholders including misuse of corporate assets and abuse in related party transactions.

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

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

- d. Audit Committee shall review, at least on a quarterly basis, the details of RPT entered into by the company pursuant to each of the omnibus approval given.

- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

- All material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not;

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

The provisions of Regulation 23(2) (3) and (4) of SEBI (LODR) Regulations, 2015 with respect Prior approval of Audit Committee / Omnibus Approval of Audit Committee/ Prior Approval of Shareholders shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Related Party Transactions not approved under this Policy

In the event the company becomes aware of any Related Party Transactions that has not been approved under this policy, prior to its consummation, the matter shall be reviewed by the Audit Committee. Audit Committee may consider all of the relevant facts and circumstances regarding the Related Party Transactions and may evaluate all the options available with the Company. Audit Committee may 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 internal control systems, and may take any such action 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 action 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.

Ratification of the Related Party Transactions

Where any contract or arrangement, which is considered as a related party transaction exclusively as per Companies Act, 2013, is entered into by a director or any other employee, without obtaining the consent of Audit Committee or the Board or the shareholders of the Company, such transaction shall be 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 contract or arrangement was entered into.

In case such transaction is not ratified within the specified period, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

REPORTING

- The Company is committed to disclose the details of all material transactions with related parties quarterly along with the compliance report on corporate governance.
- The Company shall disclose in its Board's Report the policy on dealing with Related Party Transactions.

PROTECTED DISCLOSURE

All Protected Communication / Disclosures should be addressed to Compliance Officer of the Company. The contact details are as under:

Company Secretary

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Limited*

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House, Plot No 23a Shah Indl.
Estate, Veera Desai Road, Andheri
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AMENDMENTS

The Company reserves the right to make amendments to Policy on Related Party Transactions. This policy was approved by the Board of directors in the meeting held on 17/07/2023