

POLICY ON RELATED PARTY TRANSACTIONS/ DISCLOSURES

BLUE DART EXPRESS LIMITED

BLUE DART POLICY ON RELATED PARTY DISCLOSURES

I. Preamble

As per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), the Company is required to formulate the policy on materiality of related party transactions and also on dealing with Related Party Transactions and the said policy is required to be disclosed on the Company's website. The Board of Directors (the "Board") of Blue Dart Express Ltd., (the "Company") has adopted the policy on recommendation of the Audit Committee 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 the Listing Regulations. Amendments to the Policy, from time to time, shall be considered by the Board based on recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties and its Subsidiaries and its related parties. It provides a framework for governance and reporting of Related Party Transactions including material Related Party transactions.

II. Objective

In its endeavour to ensure due and proper compliance with the applicable provisions and to ensure that proper procedure is defined and followed for approval/ ratification and reporting of related party transactions as applicable, between the Company and any of its Related Parties i) Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or ii) Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, this policy has been adopted by the Company's Board of Directors. The provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of a related party transactions, in terms of the applicable laws.

The objectives of this Policy are :

1. To establish requirements for disclosure of :
 - (a) Identify related party relationships and
 - (b) related party transactions
2. To ensure Proper reporting, approval and Disclosure processes are in place for all transactions between the Company and its Related Parties and other requirements
3. Review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

III. Definitions :

Words and expressions used hereunder have the meaning as given below :

1. "**Act**" means "Companies Act, 2013 and any rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
2. "**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. For determination of Arm's Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

3. **"Audit Committee"** means the Committee of the Board constituted/ re-constituted from time to time under the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013.
4. **"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 share capital, or business decisions under an agreement.
5. **"Board"** means "Board of Directors of the Company."
6. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
7. **"Government Company"** means a Government Company as defined in Section 2(45) of the Act.
8. **"Listing Regulation"** means regulation as described in SEBI (Listing Obligation and Disclosures) Regulations, 2015.
9. **"Key Managerial Personnel(KMP)"** Key Managerial Personnel means Key Managerial Personnel as defined under Section 2(51) of the Act.
10. **"Material Related Party Transaction" in terms of SEBI LODR means a transaction to be entered** into with a Related Party, individually or taken together with previous transactions during a financial year:
 - (i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
 - (ii) In case of any other transaction(s), if the amount exceeds Rs 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.
11. **"Material Modification"** in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.
12. **"Related Party"** means a related party as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations and the applicable accounting standards, as amended from time to time.
13. **"Related Party Transactions"** means such transactions as specified under Section 188(1) of the Act and Regulation 2(1)(zc) of the Listing Regulations, as amended from time to time.
Explanation: A "transaction" with a Related Party shall be construed to include single or a group of transactions in a contract.
The RPT shall include transactions between:
 - a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;

- b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries.

14. **"Relative"** means a relative as defined under Section 2(77) of the Act and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014, as amended from time to time.

IV. Dealing with Related Party Transactions

All Related Party Transactions shall require prior approval of the Audit Committee. All Material Related Party Transactions and Material Modifications shall require prior approval of the Shareholders of the Company in accordance with this Policy. In dealing with Related Party Transactions, the Company will follow the below mentioned approach:

a. Identification of Related Party Transactions

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.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in the Companies Act, 2013 and the rules thereunder and SEBI LODR as amended from time to time.

All Related Party Transactions and subsequent Material Modifications shall be identified and brought to the notice of the Audit Committee of the Company.

b. Approval and Review of Related Party Transactions

» Audit Committee

All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee of the Company in accordance with this Policy.

Members of the Audit Committee, who are independent directors, shall only approve related party transactions.

The Company shall place following information / documents before the Committee for its consideration of request for omnibus approval of Related Party Transactions:

- (i) Details of transaction(s) requiring omnibus approval;
 - (ii) Need for such omnibus approval;
 - (iii) Explanation as to how the transaction(s) is in the interest of the Company
- The omnibus approval shall be valid for a period of one year from the date of approval.

Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Prior approval of the Audit committee shall be required for:

- a. All RPTs and subsequent Material Modifications;
- b. a related party transaction to which the Company's subsidiary is a party but the Company is not a party, 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 such subsidiary.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

Notwithstanding anything to the contrary in this Policy, the members of the Audit Committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to 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 Regulation 23(1) of SEBI LODR;
- 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 Regulation 23(9) of SEBI LODR;
- v) any other condition as specified by the Audit Committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a party related to any director, key managerial personnel and promoters, or is authorised by any other director, key managerial personnel and promoters, the concerned director, key managerial personnel and promoters shall indemnify the Company against any loss incurred by it.

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.

The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee shall be provided with the necessary information (as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time), to the extent relevant, with respect to actual or potential Related Party Transactions.

The Audit Committee shall recommend the Related Party Transactions for approval of Board of

Directors / Shareholders, as per terms of this Policy.

» **Approval of the Board and the Shareholders**

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary 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 shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.

Provided further that the aforesaid requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Provided further that the Related Party 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 approval of the audit committee, board or shareholders.

Provided further that the provisions pertaining to:

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of audit committee, board or shareholders for Material Related Party Transactions and subsequent Material Modifications

shall not be applicable when the transactions are entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

» **Related Party Transactions of Subsidiary Companies:**

Related Party Transactions to which only unlisted subsidiary of the Company is a party shall require prior approval of the Audit Committee of the Company if the total transaction exceeds the turnover thresholds as prescribed by the SEBI Listing Regulations from time to time.

Provisions of Regulation 23(2), 23(3) and 23(4) of the SEBI Listing Regulations shall not be applicable in the following cases:

Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

V. Related Party Transactions which shall not require Approval

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i) payment of dividend;
 - ii) subdivision or consolidation of securities;
 - iii) issuance of securities by way of a rights issue or a bonus issue; and
 - iv) buy-back of securities.
- c) retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.
- d) The remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

VI. Disclosure(s)

Details of all Related Party Transactions on a consolidated basis shall be submitted to the Stock Exchanges and disseminated on the website of Blue Dart, on a half yearly basis, along with the half yearly standalone and consolidated financial statements.

The Company shall disclose this Policy on its website and provide weblink in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

The yearly threshold limits for the Related Party Transactions as approved by the Audit Committee & Board of the Company shall be considered and read to be a part of this Policy.

VII. Governance of the Policy /Policy Review

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the

Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that this Policy shall be reviewed by the Board at least once every three years and updated accordingly.