Billionbrains Garage Ventures Limited

Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions

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

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1. Scope and purpose of the policy

This Policy is intended to ensure timely identification of a Related Party Transaction("**RPT**"), and its salient terms and conditions, detail the approval process, outline the disclosure and reporting requirements thereof, and ensure transparency in the conduct of RPTs, so that there is no conflict of interest.

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) / amendment(s) / reenactment(s) thereof) ("**SEBI Listing Regulations**") and in terms of Section 188 of the Companies Act, 2013 (the "**Act**") and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the **Billionbrains Garage Ventures Limited** ("the Company") and its Related Parties. The Company is required to disclose each year, in the Financial Statements and the Annual Report, transactions between the Company and its Related Parties as well as policies governing transactions with Related Parties.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

This Policy shall come into force from the date of listing of equity shares of the Company on the stock exchanges.

2. Definitions:

(a) **"Act"** or "Companies Act, 2013" means the Companies Act, 2013, as amended, and includes the rules/ guidelines/ clarifications issued thereunder.

(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.

A transaction with a Related Party will be considered to be on arm's length basis if the key terms, including pricing of the transaction, taken as a whole, are comparable with those of similar transactions if they would have been undertaken with unrelated parties. In the event that there are no comparable, unrelated parties with whom similar transactions are undertaken in the market/industry, then, if expert(s) on the subject matter believe that the key terms, including pricing of the transaction, taken as a whole are appropriate and indicative of terms between parties who are unrelated, in relation to such transaction, the same shall be considered to be at arm's length.

(c) **"Audit Committee" or "Committee"** means the audit committee constituted by the Board of Directors of the Company under Section 177 of the Act and provisions of Regulation 18 of the SEBI Listing Regulations, as amended from time to time.

(d) "**Board**" means the Board Directors of **Billionbrains Garage Ventures Limited**

(e) **"Company" means Billionbrains Garage Ventures Limited**

(f) **"Financial Year"** means the period ending on the 31st day of March every year.

(g) **"Holding Company"** in relation to one or more other companies, means a company of which such companies are subsidiary companies.

(h) **"Key Managerial Personnel"** as defined under the Companies Act, 2013

(i) "**Material Modifications**" in relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction having a variance of 20% of the existing limit as sanctioned by the Audit Committee/Board/ Shareholders, as the case maybe.

Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/ contract or is uniformly effected for similar transactions with unrelated parties shall not be regarded as Material Modification

(j) "**Material Related Party Transaction**" means a Related Party Transaction (including any transaction to be entered into with a Related Party, individually or taken together with previous transactions during a Financial Year), which exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

(m) **"Ordinary course of business"** means such transaction as may be determined by the Audit Committee/ Board as the case may be, based on the guiding principles set down under Appendix A, which may be amended from time to time in accordance with the statutory requirements and other industry practices and guidelines.

(n) **"Policy"** means this Related Party Transaction Policy, as amended from time to time.

(o) "**Promoter**" means the person or entity identified in terms of Regulation 2(1)(oo) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(p) "**Promoter Group**" means the entities constituting the promoter group of the Company in terms of Regulation 2(1)(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(q) **"Related Party"** means a Related Party as defined under:

(i) Section 2(76) of the Companies Act, 2013; or

(ii) Regulation 2(1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; or

(iii) Indian Accounting Standard (IND AS) 24 as notified by the Central Government.

(r) **"Related Party Transactions"** means a Related Party Transactions as defined under Regulation 2(1) (zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(s) **"Subsidiary Company" or "Subsidiary"** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

(t) **"Industry Standards"** shall mean the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" as notified by SEBI vide its circular dated June 26, 2025.

3. Manner of dealing with related party transactions:

A. Identification of related parties

The Company shall identify 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.

Further, every Director and Key Managerial Personnel shall at the beginning of the financial year and subsequently whenever there is any change provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as a related party with respect to the Company and shall also provide the list of relatives which are regarded as a related party as per this Policy. The Board shall record the disclosure of interest. The Directors are also required to provide information regarding their engagement with other entities during the financial year, which may be regarded as Related Parties according to this Policy.

The Board or Audit Committee will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors/Key Managerial Personnel in the manner prescribed in the Companies Act, 2013. He/she must also share any additional information about the transaction that the Board/Audit Committee may reasonably require.

B. Identification of related party transactions

The Company shall identify Related Party Transactions in accordance with Section 188 of the Act and Regulation 2(1) (zc) of the SEBI Listing Regulations. The Company shall determine whether the transaction is in the ordinary course of business and an arm's length basis.

In addition to the above, the Company shall also take into account the following for the purposes of identification of Related Party Transactions:

(i) Every Director/ KMP of the company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.

(ii) Where any Director / KMP, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, shall disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

(iii) A contract or arrangement entered into by the Company without disclosure or with participation by a Director / KMP who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

(iv) The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and other matters incidental thereto and to refer it to the appropriate authority for approval.

4. Procedure for approval of related party transactions:

A. Approval of the Audit Committee

(i) All the Related Party Transactions and subsequent material modifications thereto shall require prior approval of the Audit Committee of the Company; provided, that only those members of the Audit Committee, who are independent directors, shall approve such Related Party Transaction(s).

(ii) The Related Party Transactions, where subsidiary is a party but the Company is not a party and the transaction amount exceeds the lower of:

a. 10% of the standalone turnover of the subsidiary; or

b. the threshold for material related party transactions of listed entity as specified in Schedule XII of SEBI Listing Regulations.

(Iii) The Related Party Transactions, where subsidiary is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, and the transaction amount exceeds the lower of:

a. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
b. the threshold for material related party transactions of listed entity as specified in Schedule XII of SEBI Listing Regulations.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.]

(iii) Further, prior approval of the Audit Committee shall not be required for:

a. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiaries.

b. Related Party Transactions of unlisted subsidiaries of listed subsidiaries of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.

c. The Related Party Transactions **other than a transaction referred to in section 188**, are entered 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.

d. The Related Party 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.

e. The remuneration and sitting fees paid by the Company or its subsidiaries to its directors, key managerial personnels 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 of the Listing Regulations.

(iv) The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Whole Time Director/ and Chief Financial Officer confirming that the terms of RPTs proposed to be entered into are in the interest of the Listed Entity. This certificate shall be placed before the Committee in terms of the Industry Standards.

(v) Where the Audit Committee does not approve the Related Party Transactions, other than prescribed in clauses (a) to (g) of Section 188(1) of the Act, it shall make its recommendations to the Board for approval.

(vi) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary, which are repetitive in nature subject to the conditions as laid down under Section 177(4)(iv) of the Act read

Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(3) of the SEBI Listing Regulations as amended from time to time.

(vii) The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

(viii) Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

(ix) In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

(a) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party.
(b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any.
(c) Whether the nature of the proposed Related Party Transaction is something that the Company would have done in its ordinary course of business.
(d) Whether the Related Party Transaction would affect the independence of an independent director.
(e) Where the ratification of the Related Party Transaction is allowed by law and is sought from the Audit Committee, the reason for not obtaining the prior approval of the Audit Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law; and
(f) Any other factor the Audit Committee deems relevant for reviewing and approving such Related Party Transaction.
(g) If necessary, the Audit Committee may seek external professional advice in determining whether a transaction is in the ordinary course of business or an arm's length basis.

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

B. Approval of the Board of Directors of the Company

(i) The following contract or arrangement under section 188 of the Act with a Related Party which is not in the ordinary course of business or is not on arm's length basis shall require prior approval of the Board given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed:

(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 the purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(g) underwriting the subscription of any securities or derivatives thereof, of the company.

(ii) In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

(a) 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;

(b) Transactions which are in the ordinary course of business and at arm's length basis, but which in the Audit Committee's view require Board approval.

(c) Transactions meeting the materiality thresholds (Material Related Party Transactions) laid down in the Policy, which are intended to be placed before the shareholders for approval.

(d) All the Material Related Party Transactions and subsequent Material Modifications thereto shall be considered and approved by the Board before the same are considered by the shareholders for their prior approval except for those transactions which are between the Company and its wholly owned Subsidiary or 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.

(e) Where any Director is interested in any contract or arrangement with a Related Party, such Director shall recuse, abstain from voting & discussions on the subject matter of the resolution relating to such Related Party Transaction.

(f) Where any contract or arrangement under section 188 of the Act is entered into by a Director or any other employee, without obtaining the consent of the Board or the shareholders (as applicable) 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 contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders 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.

C. Approval of the Shareholders of the Company

(i) All the Material Related Party Transactions and subsequent material modifications shall require prior approval of shareholders by way of a resolution, except for transactions which are between the Company and its a wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.]

(ii) If a related party transaction is not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds as prescribed under Section 188 of the Companies Act, it shall require shareholders' approval by a resolution.

(iii) No member who is a Related Party in the context of such contract or arrangement for which the resolution is being passed shall abstain from voting on the resolution to approve such contract or arrangement.

(iv) Any Related Party Transaction for which the Audit Committee has granted omnibus approval, shall continue to be placed before the shareholders of the Company if it is or becomes a Material Related Party Transaction.

(v) The notice being sent to the shareholders seeking approval for any proposed related party transaction shall include information as required under the Companies Act and the rules framed thereunder and the SEBI Listing Regulations read with the applicable SEBI Circulars, each as amended

5. Disclosures

a. The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act 2013 should be disclosed in the Directors Reports, in Form AOC-2 format as notified by the Ministry of Corporate Affairs. The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report, in accordance with Regulation 46(2)(g) of the SEBI

Listing Regulations.

b. The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee or shareholders, as the case may be, while seeking their approval of the proposed RPTs.

6. Related party transactions not approved under this policy:

The members of the Audit Committee, who are independent directors, may ratify Related Party Transactions within 3 (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:

a. the value of the ratified transaction(s) with a Related Party, whether entered into individually or taken together with previous transactions during a financial year, shall not exceed rupees 1 (one) crore;
b. the transaction is not a Material Related Party Transaction;
c. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
d. the details of ratification shall be disclosed along with the disclosures of Related Party Transactions in terms of the provisions of regulation 23 of the Listing Regulations;
e. 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 Related Party to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.

7. Policy review and amendment

The Board shall review, modify and/or amend the said Policy at any time subject to the provisions of the SEBI Listing Regulations and the Companies Act and rules framed thereunder and any other applicable law.

Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

8. Version Control:

Sr. No.	Versions	Approval date	Approved by
1	Version 1	May 24, 2023	Board of Directors
2	Version 2	Oct 29, 2024	Board of Directors
3	Version 3	April 22, 2025	Board of Directors
4	Version 4	January 14, 2026	Board of Directors
5	Version 5	April 20, 2026	Board of Directors

Appendix A

Determination of Ordinary Course of Business

What is an Ordinary course of Business?

The phrase 'ordinary course of business' is not defined under the Companies Act or the rules prescribed thereunder. An assessment of whether a transaction is in 'ordinary course of business' may be very subjective, judgmental and can vary on a case to case basis. The purpose of making such assessment is to determine whether the transaction is usual or customary to the Company and / or its line of business.

The Company would, therefore, be required to exercise its judgment to conclude whether a transaction which the Company enters into can be considered to be in the ordinary course of its business. For example, a technology company licensing intellectual property relating to application code to its group company would easily be deemed as a transaction that has been entered into by the company in its ordinary course of business.

Transactions that may be considered outside a company's normal course of business:

International Standard on Auditing ("SA") 550- 'Related Parties' has listed certain illustrative (not exhaustive) examples of the same:

a. Complex equity transaction, such as corporate restructurings or acquisitions;
b. Transactions with offshore entities in jurisdictions with weak corporate laws;
c. The leasing of premises or the rendering of management services by the entity to another party if no consideration is exchanged;
d. Transactions with circular arrangements, for example, sales with a commitment to repurchase.

Tests for determining whether a contract/ activity falls within the ordinary course of business:

The following factors may be considered:

a. the objects of the company permit such activity;
b. it is a historical practice and there is a pattern of frequency (and not an isolated transaction);
c. it has a connection with the normal business carried on by the company;
d. the income, if any, earned from such activity/transaction is assessed as business income in the company's books of accounts and hence, is a 'business activity'; and
e. it is a common commercial practice.

Key factors which the management of the Company may consider in making its assessment for ordinary course of business of the Company:

i. Whether the transaction is covered in its Memorandum of Association:

If the transaction is covered in the objects clause of the Memorandum of Association (MOA) then it is likely to be in ordinary course of business of the company.

ii. Whether a transaction is usual or unusual:

Although a Company would be outsourcing its IT processes for the first time, if that is a norm in the industry in which it operates the transaction is not unusual. Hence, whilst deciding the usualness or otherwise of a transaction, one should not restrict oneself only to the company and its past history; rather, a wider perspective covering the line of business.

iii. Frequency:

If a transaction occurs frequently over a period of time, the more likely it is to be an ordinary part of the business. However, the inverse of this does not necessarily hold true.

iv. Size and volume of transaction:

The materiality of the transaction in terms of its value may be considered.