



**BULTI**  
LEASING & FINANCE LIMITED

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**RELATED PARTY TRANSACTION POLICY**

## 1. PREFACE

Bulti leasing and finance Limited (the “Company”), an NBFC – Base Layer registered with the Reserve Bank of India, recognises that Related Party Transactions (“RPTs”) may give rise to actual or perceived conflicts of interest and impact fairness, transparency, and stakeholder interests.

This Policy, approved by the Board of Directors, sets out the framework for identification, review, approval, monitoring, and disclosure of RPTs, ensuring that all such transactions are:

- In the ordinary course of business;
- On an arm’s length basis;
- Compliant with applicable laws, including the Companies Act, 2013 and relevant tax provisions; and
- Consistent with the Company’s Code of Conduct, which requires avoidance of conflicts of interest.

The Board oversees implementation of this Policy to safeguard the Company’s and its stakeholders’ best interests.

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## 2. PURPOSE

The purpose of this Policy is to establish a structured governance framework for identification, approval, monitoring and disclosure of Related Party Transactions (“RPTs”) in order to:

- Ensure compliance with applicable laws.
  - Mitigate conflict of interest risks;
  - Ensure arm’s length commercial discipline;
  - Strengthen internal control and Board oversight;
  - Maintain regulatory defensibility.
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## 3. REGULATORY FRAMEWORK

This Policy is framed in accordance with:

- The Companies Act, 2013 including Sections 2(76), 2(77), 188 and applicable Rules;
- Applicable Accounting Standards governing related party disclosures.

- The Income-tax Act, 1961, including Section 40A(2);
  - Governance and internal control expectations applicable to NBFC – Base Layer entities regulated by the Reserve Bank of India under the Scale Based Regulation framework.
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#### 4. APPLICABILITY

This Policy applies to:

- Directors
  - Key Managerial Personnel (KMP)
  - Senior Management
  - All functional departments entering into contracts
  - Subsidiaries, if any
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#### 5. DEFINITIONS

##### 5.1 Related Party

“Related Party” shall have the meaning assigned under Section 2(76) of the Companies Act, 2013 and applicable Accounting Standards.

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##### 5.2 Relative

“Relative” shall have the meaning assigned under Section 2(77) of the Companies Act, 2013 and shall include only the following:

- Members of a Hindu Undivided Family
- Husband and Wife
- Father (including step-father)
- Mother (including step-mother)
- Son (including step-son)
- Son’s wife
- Daughter
- Daughter’s husband
- Brother (including step-brother)

- Sister (including step-sister)

No other relationship shall be treated as a Relative unless amended by law.

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### 5.3 Related Party Transaction (RPT)

Any contract or arrangement involving transfer of resources, services or obligations between the Company and a Related Party including but not limited to:

- Sale or purchase of goods or services
  - Property transactions
  - Leasing arrangements
  - Loans or advances
  - Borrowings
  - Guarantees or securities
  - Office or place of profit
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### 5.4 Arm's Length Basis

A transaction conducted as between unrelated parties under comparable circumstances with commercially justifiable pricing.

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## 6. GOVERNANCE STRUCTURE

Since the Company is an NBFC – Base Layer and does not constitute an Audit Committee, oversight of RPTs shall vest with the Board of Directors.

### 6.1 Board Responsibilities

The Board shall:

- Review and approve RPTs exceeding defined thresholds;
- Review quarterly summary of RPTs;
- Ensure compliance with statutory provisions;
- Ensure no conflict of interest compromises Company interest.

### 6.2 Management Responsibilities

Management shall:

- Identify related parties;

- Conduct due diligence and credit appraisal (where applicable);
  - Maintain documentation and benchmarking;
  - Monitor threshold utilisation.
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## 7. APPROVAL FRAMEWORK

### 7.1 Annual Omnibus Approval

To ensure operational efficiency, the Board grants annual omnibus approval within defined monetary ceilings set out in Annexure A.

Transactions within these ceilings, in ordinary course and at arm's length, shall not require separate approval during the financial year.

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### 7.2 Specific Prior Approval Required

Specific Board approval shall be required where:

- Transaction exceeds Annexure A limits;
- Transaction is not in ordinary course;
- Transaction is not at arm's length;
- Transaction is exceptional or strategic.

Interested Directors shall disclose interest and abstain from discussion and voting.

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## 8. MONETARY THRESHOLDS

*(Refer Annexure A – Adjustable Based on Latest Audited Financials)*

Thresholds shall be computed annually based on last audited financial statements and automatically recalibrated.

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## 9. SHAREHOLDER APPROVAL

Where statutory thresholds prescribed under the Companies Act, 2013 and Rules are triggered, prior shareholder approval shall be obtained unless the transaction qualifies as both:

- In ordinary course of business; and
  - On arm's length basis.
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## 10. RISK MANAGEMENT & INTERNAL CONTROL

The following controls shall apply to all RPTs:

- Mandatory written agreement
  - Pricing benchmark documentation
  - Independent valuation (where applicable)
  - Credit appraisal for lending transactions
  - Compliance check with prudential norms
  - No fund diversion or evergreening
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## 11. TAX COMPLIANCE

All RPTs shall comply with Section 40A(2) of the Income-tax Act, 1961 and shall not involve excessive or unreasonable payments.

Adequate documentation shall be maintained to substantiate fair market value.

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## 12. DISCLOSURES & RECORDS

The Company shall:

- Maintain Register of Contracts
  - Make disclosures in financial statements as per Accounting Standards.
  - Disclose in Board's Report in Form AOC-2 where applicable.
  - Place quarterly RPT summary before the Board.
  - The Policy shall also be on the website of the Company.
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### 13. NON-COMPLIANCE & RATIFICATION

Unapproved transactions shall be placed before the Board within three months for ratification. The Board may:

- Ratify the transaction;
  - Declare it voidable;
  - Seek indemnification where required.
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### 14. POLICY REVIEW

This Policy shall be reviewed annually or upon:

- Regulatory change;
  - Crossing ₹10 Crore NOF;
  - Change in classification under RBI framework.
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### 15. AMENDMENT

Any amendment to this Policy shall require approval of the Board of Directors.

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## **ANNEXURE A – ANNUAL MONETARY LIMITS**

(All limits calculated on basis of last audited financial statements)

Nature of Transaction	Limit
Loan to single related party	10% of NOF
Aggregate related party loans	25% of NOF
Borrowings from related parties	50% of NOF
Professional / service payments	5% of turnover or ₹50 Lakhs (whichever lower)
Rent to related party	₹3 Lakhs per month or 10% of turnover
Purchase/sale of assets	10% of Net Worth
Office or place of profit	₹2.5 Lakhs per month

Limits automatically stand revised each financial year based on audited financials.