



MAGNUM VENTURES LIMITED

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors ('the Board') of Magnum Ventures Limited ('the Company' or 'MVL'), has amended and adopted the following policy and procedures with regard to Related Party Transactions as defined below.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

MVL recognizes that certain relationships can present potential or actual conflicts of interest and may raise questions about whether transactions associated with such relationships are consistent with MVL's and its stakeholders' best interests.

This policy is framed as per the requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and also to comply with the provisions of Section 188 of the Companies Act, 2013 and is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its other stakeholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

No Related-Party Transaction may be entered into by the Company, or any of its subsidiaries or associates, except in accordance with the provisions of this Policy.

3. Definitions

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of SEBI (LODR), Regulations, 2015 and Companies Act, 2013.

"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 Arms length transaction, guidance may be taken from the provisions of the Income Tax Act, 1961.

“Associate Company (Section - 2(6) of the Companies Act, 2013)”, in relation to another company, means a Company in which that other Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company.

“Significant Influence” means control of at least twenty percent of total voting power, or control of or participation in business decision under an agreement.

“Board” means Board of Directors of the Company.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Concerned or Interested Director”, pursuant to provisions of section 184 of Companies Act, 2013 or any rules made thereunder, means a Director, who is in anyway, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

- (a) With a body corporate in which such director or such director in association with any other directors, holds more than two percent shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or
- (b) With a firm or other entity in which, such director is a partner, owner or member as the case may be.

“Holding Company (Section - 2(46) of the Companies Act, 2013)” in relation to one or other Companies, means a Company of which such Companies are Subsidiary Companies.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Chief Executive Officer or the Managing Director, or the Manager;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer

“Ordinary course of Business”, means activities that are normal, regular, frequent and incidental to the business of the Company.

“Policy” means Related Party Transaction Policy dealing with RPTs and its materiality including clear threshold limits duly approved by the Board of Directors and such policy shall be reviewed by the Board of Directors atleast once every three years and updated accordingly.

“Related Party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013, or under the applicable Accounting Standards.

Provided that:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)

“Material Related Party transaction” is the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.”

“Material modification” will mean & include any modification to an existing RPT having addition of 20% of the existing limit, as defined by the Audit Committee.”

“Relative” means relative as defined under section 2(77) of the Companies Act, 2013 and the rules prescribed thereunder.

“Subsidiary Company” shall have meaning assigned to it under Section 2(87) of the Companies Act, 2013.

The terms **‘Related Party Transactions’** and **‘Omnibus Approval’** will carry the meaning as stated under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The words and expressions used but not defined here will carry the meaning as stated under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

4. Approval Process

Approval of the Audit Committee:

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company.

Only those members of the audit committee, who are independent directors, shall approve related party transactions.

Audit Committee may, subject to applicable regulatory provisions of Companies Act, 2013, Regulation 23 of SEBI (LODR) Regulations, 2015 and provisions of this policy, grant omnibus approval for related party transactions proposed to be entered into by the company subject to the following conditions, namely:

- I. Such related party transactions are repetitive in nature.
- II. Specific needs of such omnibus approval.
- III. The approval shall specify the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, the indicative base price/ current contracted price and the formula for variation in the price, if any and such other conditions as the Audit Committee may deem fit.
- IV. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

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 conditions prescribed in the Regulation 23 of SEBI (LODR) Regulations, 2015.

Provided that the remuneration and sitting fees paid by the listed entity to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee and disclosure until that the same is not material in terms of the provisions of SEBI (LODR) Regulations, 2015.

Approval of the Board of Directors:

The following related party transactions shall be subject to prior approval of the Board of Directors:

- (a) if the audit committee is of opinion that a particular related party transaction should be brought before the Board, or if the Board in any case decides to review any such transaction;
- (b) where it is mandatory under any law for Board to approve the Related Party transactions,
- (c) Related party transactions, in which the directors or the KMP are concerned or interested,
- (d) Related Party transactions which are not:
 - a) in the ordinary course of business, or
 - b) conducted at arm length's basis.

Approval of shareholders:

The following related party transactions shall be subject to prior approval of shareholders of the Company by way of resolution:

- (a) All material related party transactions and subsequent material modifications as defined by the audit committee shall require approval of the shareholders through ~~Special~~ resolution and no related party shall vote to approve such resolution whether the Company is a related party to the particular transaction or not.
- (b) Related party transactions exceeding the threshold limits as may be prescribed by the Ministry of Corporate Affairs from time to time, and which are not:
 - a) In the ordinary course of business; or
 - b) Conducted at an arm's length, and

(c) the Related Parties shall not vote to approve such resolution.

Any Related Party Transaction entered into without proper approval shall be placed for approval of Board or shareholders, as the case may be, within three months from the date on which such contract or arrangement was entered into.

4.1 Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. Board/ Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/ Board has adequate time to obtain and review information about the proposed transaction.

4.2 Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself/ herself and abstain from discussion and shall not vote to approve the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

√ Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

√ 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;

√ Whether the Related Party Transaction would affect the independence of an independent director;

√ Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

✓ Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

✓ Whether the Related Party Transaction would present an conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the 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 Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

6. Maintenance of records and register

The records and register pertaining to related party transactions under the provisions of Companies Act, 2013 will be kept with the Company Secretary.

7. Disclosure

Details of all material transactions with Related Parties shall be disclosed to the stock exchanges quarterly along with the compliance report on corporate governance.

With effect from 1st April, 2023, the listed entity shall submit to the stock exchanges disclosures of related party transactions on a consolidated basis, on the date of publication of its standalone and consolidated financial results for the half year, and publish the same on its website.

8. Amendments

Audit Committee may recommend and Board of Directors may amend from time to time the policy.

Any amendment/ modification in the Listing Regulations, Companies Act, 2013, SEBI guidelines and/or other applicable laws in this regard shall automatically apply to this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company. The Company shall disclose this policy on dealing with Related Party Transactions on its website and web-link shall be provided in the Annual Report.

In case of any inconsistency between the provisions of this policy and those of Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the later shall prevail.

(Sd/-)

For and on behalf of the board of directors

Magnum Ventures Limited