

**DHUNSERI VENTURES LIMITED**  
**(CIN: L15492WB1916PLC002697)**  
**POLICY ON RELATED PARTY TRANSACTION AND MATERIALITY OF**  
**RELATED PARTY TRANSACTIONS**

**Preamble**

This policy is framed as per requirement of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and applicable provisions of the Companies Act, 2013 and 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 shareholders.

Provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

The Audit Committee (“**Audit Committee**”), shall review, approve the Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act, 2013, including the Rules promulgated thereunder and Regulation 23 of Listing Regulations and must be approved in the manner as may be decided by the Board of Directors.

**Definitions**

- “**Act**” means the Companies Act, 2013 and includes any amendment thereof.
- “**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.
- “**Associate Company**”, 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.

Explanation - For the purpose of this clause, “significant influence” means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement.

Explanation - For the purpose of this clause, “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- “**Audit Committee**” or “**Committee**” means the Committee of Board of Directors of the Company constituted in accordance with the requirements prescribed under SEBI Listing Regulations and the Act.

- **“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 and under the provisions of the Act (as amended from time to time).
- **“Key Managerial Personnel”** or **“KMP”** means the Key Managerial Personnel of the Company as defined under the Act (as amended from time to time), and includes:
  - a. Chief Executive Officer or the Managing Executive Director or the Manager;
  - b. Whole-Time Director;
  - c. Chief Financial Officer;
  - d. Company Secretary and
  - e. such other officer as may be prescribed under the Act/SEBI Listing Regulations.
- **“Material Related Party Transaction”**, means a transaction as defined “material” under Listing Regulations and / or the Act, as may be applicable from time to time.
- **“Policy”** means this Policy on Related Party Transactions and Materiality of Related Party Transactions.
- **“Related Party”** means Related Party as defined under the Act, SEBI Listing Regulations and/ or under the applicable accounting standards, or as may be amended by the SEBI from time to time.
- **“Relative”** means relative as defined under the Act, SEBI Listing Regulation, and/ or under the applicable accounting standards, or as may be amended by the SEBI from time to time.
- **“Related Party Transaction”** has the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations or as envisaged in Section 188(1) of the Act. Clause 2(1)(zc) of SEBI Listing Regulations defines a related party transaction as a transaction involving a transfer of resources, services or obligations 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; and
  - 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, effective April 1, 2023

regardless of whether a price is charged and a **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Provided that the following shall not be treated as Related Party Transactions:

- 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. acceptance of fixed deposits by banks / Non-Banking Finance Companies at the terms uniformly applicable / offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board
- d. acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time.  
Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- e. retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange.

- **“Ordinary Course of Business”** means a transaction which is: -
  - i. Carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
  - ii. Historical practice with a pattern of frequency; or
  - iii. Common commercial practice; or
  - iv. Meets any other parameters/criteria as decided by Board/Audit Committee.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the Listing Regulations as amended from time to time. Also, in case of any subsequent changes in the provisions of the Act, SEBI Listing Regulations or any other regulations which may make any of the provisions in the Policy inconsistent with such regulations, then the provisions of such Act, Regulations/Rules shall prevail over this Policy.

### **Details required for ascertaining Related Party**

The following details shall be taken into consideration while ascertaining related party:

1. Declaration/Disclosure of interest by all the Directors and KMPs' in form MBP-1.
  2. Declaration of relatives by all Directors and KMP's.
  3. Declaration about a firm in which a Director/ Manager or his relative is a partner.
  4. Declaration about a private Company in which a Director or Manager or his relative is a member or director.
  5. Declaration regarding a public company in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid-up share capital.
  6. Notices from Directors of any change in particulars of Directorship or in other positions during the year.
  7. Declaration by Holding Company regarding its Directors/KMPs' and their relatives.
  8. Details of any body corporate, whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company.
  9. Details of any person on whose advice, directions or instructions a director or manager is accustomed to act:
- Provided that nothing in item no. 8 and 9 shall apply to the advice, directions or instructions given in a professional capacity.
10. Details of anybody corporate which is –
    - (a) a holding, subsidiary or an associate company of such company; or
    - (b) a subsidiary of a holding company to which it is also a subsidiary; or
    - (c) an investing company or the venturer of the company

### **Identification of Potential Related Party Transactions**

The Company Secretary shall at all times maintain a database of Company's Related Parties containing the names of individuals and Companies, identified on the basis of the definition, along with their personal/company details including any revisions therein.

The Related Party List shall be updated whenever necessary and shall be reviewed by the Audit Committee at least once a year.

For the purpose of implementing the provisions under this Policy, the Board and the Audit Committee of Directors of the Company shall receive timely, full and sufficient information about the Transactions covered under this Policy.

In determining, whether to approve or not a Related Party Transaction, the Board will take into account, amongst other factors, recommendations of the Audit Committee, whether the said Transaction is in the interest of the Company and its stakeholders and there is no actual or potential conflict of interests between the related parties.

### **Review, Approval and Ratification of Related Party Transactions**

At the time of seeking approval for Related Party Transactions, the information for consideration of the Related Party Transactions shall be made available to the Audit Committee or Shareholder.

#### **Approval by the Audit Committee**

All Related Party Transactions shall be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. 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.

Individual transactions with Related Parties, which are not in Ordinary Course of Business and not on an arm's length basis and all material related party Transactions, shall be accompanied with Management's justification for the same. Before approving such transactions, the Committee will look into the interest of the Company and its stakeholders in carrying out the Transactions and on the benefits. The Committee may accordingly approve or modify such transactions, in accordance with this policy and/or recommend the same to the Board for approval.

Each director and key managerial personnel is responsible for providing notice to the Company of any potential Related Party Transaction where he may be considered interested. Audit Committee will determine whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Directors and KMPs will ensure that their notice of any potential Related Party Transaction is delivered well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

The Audit Committee/the Board may review any Related Party Transactions involving independent directors. The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

In the case of Transactions which are frequent, regular and repetitive in nature and are in the Ordinary Course of Business of the Company, the Audit Committee may fix up limits within which the management may carry out such Transactions without any approval of the Audit Committee. Further, it shall periodically review and assess such limits and revise the same as deemed proper and ensure that they are in compliance of this Policy and the guidelines herein.

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 such conditions as defined in the Listing Regulations.

### **Omnibus approval**

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary.

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

The 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 INR 1.00 crore per transaction.

The Audit Committee, shall review at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

## **Material Related Party transactions and subsequent material modifications**

In accordance with the provisions of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, any Related Party Transaction exceeding the thresholds specified therein shall require prior approval of the shareholders of the Company.

Further, in accordance with Regulation 23 of the Listing Regulations, all Material Related Party Transactions and material modifications thereto shall also require prior shareholders' approval. A transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the Listing Regulations.

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.

Notwithstanding the above, a transaction involving payments made to a 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 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

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.

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.

- a. **“Material Modification”** means a substantial modification to any Related Party Transaction which changes the nature /tenure of the transaction earlier considered by the Audit Committee while approving it for the first time.
- b. *Change/Variation/modification in an existing related party transaction/contract/arrangement, financial effect of which is an increase in the per annum value /rate of the relevant related party transaction/contract/arrangement by 20% or Rupees Ten crores, whichever is higher.*

*Explanation: 1 - Omnibus approvals as approved by Audit Committee, re-imburements as per the agreements entered into and approved by the Audit Committee as arm's length basis, and shall not constitute modification.*

*Explanation: 2 - The provisions of sub-regulations (2), (3) and (4) of Regulation 23 of SEBI LODR, 2015 shall not be applicable for the 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 and transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.*

## **Registers and Disclosures**

The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such registeris placed/taken note of before the meeting of the Board of directors.

Every director or KMP shall, within a period of thirty days of his appointment, or relinquishment of his office in other Companies, as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the register maintained.

The Company shall maintain such register in the Registered Office of the Company and provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of such fee as may be specified in the articles of the Company but not exceeding ten rupees per page.

The register to be kept under this section shall also be produced at the commencementof every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

The register shall be preserved permanently and shall be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.

Details of all material transactions with related parties are to be disclosed quarterly along with the compliance report on corporate governance.

The Company shall disclose the contract or arrangements entered into with the Related Party in the Board Report to the shareholders along with the justification for entering into such contract or arrangement.

The Company shall disclose this policy relating to Related Party Transactions on its website and also a web link thereto shall be provided in the Annual Report.

*The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website as per the times mentioned in Reg. 23 of LODR.*

### **Disclosure of the Policy**

This Policy will be uploaded on the website of the Company.

Appropriate disclosures as required under the Act and the Listing Regulations will be made in the Annual Return, Board Report and to the Stock Exchange, as may be applicable.

### **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. This policy will be subject to all subsequent amendment(s) / modification(s) in the Listing Regulations, Act and /or applicable laws.