

KAMDHENU VENTURES LIMITED

**POLICY ON
RELATED PARTY TRANSACTIONS**

INTRODUCTION

This policy on Related Party Transactions (hereinafter referred to as “Policy”) of Kamdhenu Ventures Limited (hereinafter referred to as “the Company”) is prepared for ensuring compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulatory provisions, as may be applicable.

OBJECTIVE

The Policy is framed for due and proper compliance with the applicable statutory provisions and to ensure that proper procedure is defined and followed for approval / ratification and reporting of transactions, if any, as applicable, between the Company and any of its Related Parties. The provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to accord fairness in the treatment of related party transactions.

DEFINITIONS

“Act” means the Companies Act, 2013 and rules made there under as amended from time to time.

“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 purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

“Audit Committee” means a committee of the board of directors of the Company constituted under provisions of the Act and Listing Regulations.

“Board” shall mean Board of Directors of the Company.

“Control” as defined under the Act includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

“Holding Company” shall have the meaning as specified under section 2(46) of the Companies Act, 2013.

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Key Managerial Personnel” as defined under the Companies Act, 2013 means:

- a. the Chief Executive Officer or the managing director or the manager;
- b. the company secretary;
- c. the whole-time director;
- d. the Chief Financial Officer;
- e. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- f. such other officer as may be prescribed

“Related Party”

a. Under the Companies Act, 2013

- Related Party means, with reference to a company;
- A director or his relative;
- Key Managerial Personnel or his/ her relative;
- A firm, in which a director, manager or his relative is a partner;
- A private company in which a director or manager or his relatives is a member or director;
- A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;
- A 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, except such advice is given in a professional capacity;
- Any person on whose advice, directions or instructions a director or manager is accustomed to act, except such advice is given in a professional capacity;
- Any company which is:
 - A Holding Company, Subsidiary Company or an Associate company of such company or;
 - A Subsidiary Company of a Holding Company to which it is also a Subsidiary Company;

- A director, other than an independent director, or Key Managerial Personnel of the Holding Company or his relative with reference to a company, shall be deemed to be a Related Party Where “Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –
 - i. They are members of a Hindu undivided family;
 - ii. They are husband and wife; or
 - iii. Father (including step-father)
 - iv. Mother (including step-mother)
 - v. Son (including step-son)
 - vi. Son’s wife
 - vii. Daughter
 - viii. Daughter’s husband
 - ix. Brother (including step-brother)
 - x. Sister (including step-sister)

b. As per Listing Regulations

“**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.

c. As per IND AS 24

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the ‘reporting entity’).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

“Related Party Transactions”

a. Under the Companies Act, 2013

Any contract or arrangement with respect to the following shall be considered as a Related Party Transactions:

- (i) sale, purchase or supply of any goods or materials;
- (ii) selling or otherwise disposing of, or buying, property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) such related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (vii) underwriting the subscription of any securities or derivatives thereof of the Company.

Notwithstanding the foregoing, the following shall not be deemed as Related Party Transactions:

- Any transaction which is in the ordinary course of business and on an arms’ length basis as determined in terms of this Policy.

- Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder.

b. As per Listing Regulations

A related party transaction is a transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged.

A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

“Material Related Party Transactions”

a. Under the Companies Act, 2013

S. No.	Transaction or contract or arrangements for	Limits for the time being in force (as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014)*
1	sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company	<ul style="list-style-type: none"> • exceeding 10% of the net worth of the company; or • Rs.100 crores <p>whichever is lower</p> <p>For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year</p>
2	selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	<ul style="list-style-type: none"> • exceeding 10% of the net worth of the company; or • Rs.100 crores <p>whichever is lower</p> <p>For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year</p>
3	leasing of property any kind	<ul style="list-style-type: none"> • exceeding 10% of the net worth of the company; or • Rs.100 crores <p>whichever is lower</p> <p>For the transaction or transactions to be entered in to either individually or taken together with the previous</p>

		transactions during a financial year
4	availing or rendering of any services, directly or through appointment of agent	<ul style="list-style-type: none"> • exceeding 10% of the net worth of the company; or • Rs.100 crores <p>whichever is lower</p> <p>For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year</p>
5	appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees	Where monthly remuneration exceeds Rs. 2,50,000/-
6	remuneration for underwriting the subscription of any securities or derivatives thereof	For amount exceeding 1% of net worth of the Company
*The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.		

b. As per Listing Regulations.

A Related Party Transaction shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Subsidiary Company” shall have the same meaning as specified under section 2(87) of the Companies Act, 2013.

“Wholly Owned Subsidiary” When a company holds 100% of shares of another company, the other company is called a Wholly Owned Subsidiary of the company who has made 100% investment in it.

DETERMINING “ORDINARY COURSE OF BUSINESS”

“In the Ordinary Course of Business” means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is permitted by the objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organised manner for determining what is in the ordinary course of business.

ASCERTAINING “ARMS’ LENGTH” IN RELATED PARTY TRANSACTIONS

The expression “arms’ 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 Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening / selection criteria / underwriting standards and procedures as may be applicable in case of an unaffiliated party. The Company shall produce evidence to the satisfaction of the Audit Committee for complying with the said procedure, as and when applicable as required.

PROCESS OF IMPLEMENTATION OF THE POLICY

A. Identification of potential Related Party Transactions

- (a) Each Director / Key Managerial Personnel is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Compliance Officer may reasonably request.

The Compliance Officer, in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

- (b) Every Director / Key Managerial Personnel 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.
- (c) Where any Director / Key Managerial Personnel, 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.
- (d) A contract or arrangement entered into by the Company without disclosure or with participation by a Director / Key Managerial Personnel 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.

- (e) The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Compliance Officer 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.
- (f) Any Director / Key Managerial Personnel who has been convicted of the offence dealing with Related Party Transactions at any time during the last preceding five years shall be disqualified for appointment as Director / Key Managerial Personnel, as the case may be.

B. MECHANISM FOR APPROVAL FOR RELATED PARTY TRANSACTIONS

1. TRANSACTIONS WHICH ARE ON ARM'S LENGTH BASIS AND ARE IN ORDINARY COURSE OF BUSINESS

- i. Prior approval of Audit Committee.
- ii. Prior approval of shareholders by way of ordinary resolution if such RPTs are "Material Related Party Transactions" as defined above.

2. TRANSACTIONS WHICH ARE EITHER NOT ON ARM'S LENGTH BASIS AND/OR NOT IN ORDINARY COURSE OF BUSINESS

- i. Prior approval of Audit Committee.
- ii. Prior approval of Board of Directors.
- iii. Prior approval of shareholders by way of ordinary resolution if such RPTs are "Material Related Party Transactions" as defined above.

3. OMNIBUS APPROVAL BY AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- i. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- iii. Such omnibus 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. 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 Rs.1 crore per transaction.
- v. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
- vi. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

4. PROCEDURE TO BE FOLLOWED FOR RELATED PARTY TRANSACTIONS.

- a. The Compliance officer shall identify the related party (ies), as applicable from time to time and circulate the same to all the departments of the company.
- b. The Director/KMP/Related Party shall bring to the notice of Compliance Officer of any transactions to be entered by the related party with the company.
- c. The concerned departments shall approach Compliance Officer before entering into any transactions with Related Party(ies) along with the details of the transactions to be entered.
- d. After receipt of the notice, the compliance officer shall make sure that the transactions to be entered is as per the policy on RPTs approved by the Board and also verify the approval sought for such transaction by the Audit Committee /Board/ Shareholders, as applicable.
- e. If the transaction to be entered is already approved by the Audit Committee/ Board/Shareholder, as applicable and if it is within the limit of approval then the compliance officer shall inform the respective department of the same and allow the transaction to proceed.
- f. If the transaction proposed to be entered with related party is not already approved by the Audit Committee /Board /Shareholders then the Compliance officer shall take necessary steps for prior approval of the transactions.
- g. Any RPTs approved by the Audit Committee/Board/Shareholders shall be informed to all the departments specifying the limit of approval.

5. Related parties shall abstain from voting on resolutions approving related party transactions irrespective of whether the entity is a related party to the particular transaction or not.

C. STANDARDS FOR REVIEW

- i. The Audit Committee while approving and the Board while approving/ratifying a Related Party Transaction shall review and consider the following, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction:
 - (a) the Related Party's interest in the Related Party Transaction;
 - (b) the approximate amount involved in the Related Party Transaction;
 - (c) whether the Related Party Transaction was undertaken in the ordinary course of business of the Company;
 - (d) whether the transaction with the Related Party is proposed to be, or was, entered on at arms' length basis;
 - (e) the purpose of, and the potential benefits to the Company from the Related Party Transaction;
 - (f) 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;
 - (g) Whether the Related Party Transaction includes any potential reputational risk issues that may arise as a result of or in connection with the Related Party Transaction;
 - (h) Whether the Related Party Transaction would impair the independence of an otherwise independent Director or nominee Director;
 - (i) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why preapproval was not sought for and whether subsequent ratification would be detrimental to the Company; and
 - (j) Whether the Related Party Transaction would present an improper conflict of interest, as per provisions of law, for any director or Key Managerial Personnel, taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of the Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee / the Board deems relevant and appropriate.

- (k) required statutory and public disclosure, if any; and
 - (l) any other information regarding the Related Party Transaction or the Related Party in the context of the proposed transaction that would be material to the Audit Committee / Board / shareholders, as applicable, in light of the circumstances of the particular transaction.
- ii. The agenda of the Board meeting at which the resolution is proposed to be considered shall disclose:
- (a) the name of the related party and nature of relationship;
 - (b) the nature, duration of the contract and particulars of the contract or arrangement;
 - (c) the material terms of the contract or arrangement including the value, if any;
 - (c) any advance paid or received for the contract or arrangement, if any;
 - (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - (d) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
 - (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

- iii. The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 102 of the Companies Act, 2013 shall contain the following particulars namely:
- (a) name of the related party;
 - (b) name of the Director or key managerial personnel who is related, if any;
 - (c) nature of relationship;
 - (d) nature, material terms, monetary value and particulars of the contract or arrangement;

- (e) any other information relevant or important for the members to take a decision on the proposed resolution.

D. RATIFICATION OF RELATED PARTY TRANSACTIONS

- (i) Every contract or arrangement entered into with a related party shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- (ii) If prior approval of the Audit Committee / Board / shareholders for entering into a Related Party Transactions is not feasible owing to paucity of time and also other administrative inconvenience, then such Related Party Transactions shall be recommended by the Audit Committee for ratification to the Board / Shareholders, if required, within 3 months of entering into the Related Party Transaction.
- (iii) In any case where either the Audit Committee/ Board/Shareholders determines not to ratify a Related Party Transaction that has been commenced without prior approval, the Committee or Board or shareholders, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation of the transactions, or modification of the transaction to make it acceptable for ratification. If the contract or arrangement is with a Related Party to any director, or is authorised by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.

DISCLOSURE

This Policy shall be hosted on the Company's website.

REVIEW / AMENDMENT

The Chairman and/or Managing Director is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Companies Act, 2013 and rules made thereunder and the Listing Regulations and amendment thereto as notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. In case any provision(s) of this Policy is contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the Statutory Provisions shall prevail.

Further, amendments in the Statutory Provisions shall be applicable even if not incorporated in this Policy.

