

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND
ON DEALING WITH RELATED PARTY TRANSACTIONS OF
HALDER VENTURE LIMITED

1. Preamble

The Board of Directors (“Board”) of Halder Venture Limited (“Company”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below. This policy is formulated to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations and also provides for materiality of and dealing with related party transactions.

2. Purpose

The Companies Act, 2013 (‘Companies Act’ or ‘the Act’) has introduced sections 177, 184 and 188, which contain provisions regarding related party transactions. These sections, along with the relevant Rules framed under the Companies Act, have introduced certain compliance and approval requirements regarding the related party transactions. Further, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulation 23) has also introduced certain approval requirements regarding the related party transactions. According to Regulation 23, it is mandatory for the listed entities to formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

This policy is framed pursuant to the provisions of Section 188 of the Companies Act, 2013 and regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, is primarily intended to ensure the governance 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. The Company is required to disclose each year in the Board’s Report about particulars of contracts or arrangements with related parties referred to in sub-Section (1) of Section 188 of Companies Act, 2013 in the prescribed form and also in Financial Statements.

This policy is intended to enable the Audit Committee to consider the approval and reporting of transactions between Company and any of its Directors, whether independent and non-independent, Senior Managerial Personnel or certain entities or persons related to them.

3. Identification of Related parties

As per Regulation 2(zb) of SEBI (LODR) Regulations, 2015 the term “related party” for the purpose of this policy shall mean “related party” as defined in the Companies Act and Indian Accounting Standard (Ind AS) 24. Definitions as per the respective regulations are given below.

4. Definitions

- a) **“Arm’s length transaction”**: “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.
- b) **“Associate Company”** means a Company as defined under section 2(6) of Companies Act, 2013 or applicable Accounting Standards in which the other company has significant influence but which is not a subsidiary of the Company having such influence and includes a joint venture company.

c) **“Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of Companies Act, 2013 and amendments thereof.

d) **“Board”** means Board of Directors of the Company

e) **“Control”** shall include 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’/voting agreements etc.;

f) **“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.

g) **“Key Managerial Personnel” or “Key Management Personnel”** means Key Managerial Personnel as defined under the Companies Act, 2013 and the Rules made thereunder.

h) **“Material Related Party Transaction”**: A transaction with a related party shall be considered material, if

i) the transaction(s) 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

ii) in case of a transaction involving payments made to a related party with respect to brand usage or royalty 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.

i) **Related Party** means related party as defined in Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 (‘SEBI Listing Regulations’), which inter alia provides that a “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, as amended from time to time.

j) **“Related Party Transaction”** - Following types of the transactions considered as related party

(A) As per Regulation 2(1)(zc) of Securities and Exchange Board of India (LODR) Regulations, 2015, Related Party Transaction means a transaction involving a transfer of resources, services or obligations between:

(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or

(ii) a listed entity 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 listed entity or any of its subsidiaries, with effect from 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 a related party transaction:

(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 its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:]

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);

(B)“Related Party Transactions” as per the provisions of Companies Act, 2013 shall mean any of the following transactions entered into by the Company with any of its Related Parties which are, either not in the ordinary course of business or not on arm’s length basis:

- a. sale, purchases 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 purchases 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

k) “Relatives”: “Relative”, with reference to any person, means anyone who is related to another, if—

- i. they are members of a Hindu Undivided Family;
- ii. they are husband and wife; or
- iii. one person is related to the other in such manner as may be prescribed, which is as follows:

- (a) Father (including step-father)
- (b) Mother (including step-mother)

- (c) Son (including step-son)
- (d) Son's wife
- (e) Daughter
- (f) Daughter's husband
- (g) Brother (including step-brother)
- (h) Sister (including step-sister)

l) **"Significant Influence"** means control of at least 20 (twenty) % of the total voting power or control of or participation in business decisions under an agreement.

5. Policy

All Related Party Transactions must be reported to the Audit Committee for its approval prior to initiation of actual transaction in accordance with this Policy.

Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing Notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of interest and the 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. Any change in the list of relatives shall be intimated by the Directors and Key Managerial Personnel from time to time, as may be required. Any subsequent modification of transactions of the company with related parties will also require approval of Audit Committee.

Review of Related Party Transactions

Every Related Party Transactions shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolution by way of circulation. Any member of the Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of 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 name(s) of the related party, the nature of transaction, 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.

APPROVAL OF TRANSACTIONS WITH RELATED PARTIES BY THE AUDIT COMMITTEE, THE BOARD AND THE SHAREHOLDERS

Approval of Related Party Transactions by the Audit Committee

i) All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity.

Material Modifications means any modification which may affect the transaction value , terms of contract , arrangements etc as detailed defined by Audit committee:

Inclusion

- Variation of 50% or more in existing limit as originally approved , in the value of transactions /contract/arrangement to an existing related party transaction,
- Any material modification in the terms of contract/arrangement like tenure, rate of interest etc which may results into financial implication equal to 50% or more of the value of contract.
- Where the terms of contracts ceases to be arms length.

Exclusion :

- modification which may be mandated pursuant to change in law.
- Modification pursuant to and in accordance with the terms of the approved transaction/contract whether with or without mutual consent of parties , as case may be .
- Modification resulting from change in constitution of either of the parties pursuant to scheme of arrangements (e.g merger, amalgamation, demerger etc.)
- Modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties,
- Modifications uniformly affected for similar transactions with unrelated parties

ii) *All the transactions which are identified as related party transactions should be pre-approved by those members of the Audit Committee, who are independent directors, before entering into such transaction.

iii)a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

iv)The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

v) Any member of the Committee who has a potential interest in any related party transaction shall not vote to approve the relevant related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

vi) The Audit Committee may grant standing pre-approval /omnibus approval for related party transactions in the normal course of business which are frequent/regular/repetitive in nature and subject to certain criteria/conditions as required under Regulation 23 and Chapter XII, Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for one financial year. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction

- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. The Committee shall on quarterly basis review all omnibus transactions and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

- vii) The Audit Committee may, in case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, make its recommendations to the Board
- viii) Provisions of clause (iv) of Section 177(4) of the Act shall not apply to a transaction, other than a transaction referred to in section 188, between a holding company and its wholly owned subsidiary company.
- ix) In order to review an RPT, the Audit Committee will be furnished with all relevant material information of the RPT, 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 RPT, the Audit Committee will consider all information's as prescribed by applicable laws and regulation and as required to the extent relevant to the RPT.

Approval of Related Party Transactions by the Board

All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits, which are not in the ordinary course of business of the Company or on an arm's length basis shall along with the approval of the Audit Committee also require approval of the Board of Directors of the Company. However, the requirement of Board approval is applicable only for transactions which are not in ordinary course of business or not on an arm's length basis.

Further, the transactions which are not approved by the Audit Committee will be placed before the Board of Directors for its consideration, along with the recommendations of the Audit Committee.

Further, where any Director is interested in any Related Party Transaction, such Director will abstain from discussion and voting on the resolution relating to such transaction.

Accordingly, the transactions with related parties which are deemed to be not in the ordinary course of business or not at an arm's length basis will be placed before the Board of Directors of the Company for its consideration and approval, along with justification for the transaction.

Approval of related party transactions by the Shareholders

- i) All material related party transactions and subsequent material modifications as defined by the audit committee, as mentioned above, shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- ii) All transactions, other than the Material Related Party Transaction, with the related parties which are not in the Ordinary Course of Business or not at Arms' Length Basis and exceeds the thresholds prescribed under Section 188 of Companies Act shall also require the approval of the shareholders through ordinary resolution and all the Related Parties shall abstain from voting on such resolution.

The provisions of regulation 23(2), (3) and (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to prior approval of audit committee, omnibus approval and material related party transaction respectively shall not be applicable in case of 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.

Threshold limits for related party transactions

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 require the Related Party Policy to prescribe clear thresholds for related party transactions. The thresholds approved by the Board for related party transactions are detailed as below:

- 1. The maximum value of a single transaction or transactions in aggregate with a Related Party in a financial year would not exceed 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.
- 2. The maximum value of transactions with respect to payments made for brand usage or royalty by the Company whether considered individually or taken together with previous transactions during the financial year shall not exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity.
- 3. The thresholds under the Policy shall not be applicable to transactions specifically approved by the Shareholders under relevant regulatory provisions.

For this purpose –

‘Networth’ or ‘Consolidated Turnover’ or ‘Turnover’, wherever specified shall refer to respective figures as per last audited financial statement.

6. Reporting Of the Related Party Transactions

The Companies Act 2013, Indian Accounting Standard 24 and Regulation 23 of SEBI (LODR) Regulations, 2015 and amendments thereof, place the following reporting requirements on an entity, which will be duly complied by the Company:

i) a note on transactions with related parties, along with the pricing justifications, as and wherever applicable, to be placed at the Audit Committee every quarter for its review, in compliance with the requirements of sections 177 and 188 of the Act.

ii) disclosure of related parties and transaction with related parties as per Ind AS 24 and RBI guidelines in the notes to accounts forming part of Financials of the Company. Further, as required under Para A of Schedule V of SEBI(LODR) Regulations, 2015 necessary details of all materially significant related party transactions which may have potential conflict with the interests of the Company at large, shall also be also given in Report on Corporate Governance section in Annual Report.

iii) the details of material transactions with related parties to be included in the corporate governance reports which are required to be submitted to the stock exchanges on a quarterly basis.

iv) reporting of details of material contracts or arrangements or transactions in Form AOC-2 forming part of Board's report, as covered under section 188(1) of Companies Act 2013.

v) submit disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.

vi) submitting on the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:

All necessary disclosures as required under applicable Law and Regulation in regard to Related Party transaction shall be made in relevant documents from time to time.

7. RPTs not approved under this Policy

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. 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 the conditions specified in SEBI (LODR) Regulations, 2015. The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. The Audit Committee/ Board has authority to modify or waive any procedural requirements of this Policy with respect to existing Related Party Transactions (RPTs) This Policy shall operate prospectively and all the agreements which have been entered before the effective date of this Policy and are in accordance with the then prevailing laws shall be valid and effective. This Policy will be communicated to all Directors, KMPs, functional heads and other Designated Employees of the Company and shall be placed on the website of the Company at www.halderventure.in

8. Exclusions related to Related Party Transactions:

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel 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 sub-regulation (1) of Regulation 23.
- 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.
- 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.
- transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- Transactions arising out of corporate restructuring, compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 2013, will not attract the requirements of Section 188 of the Companies Act, 2013.

8. Amendments and Updates

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate. In addition to guidelines for ongoing Related Party Transactions, the Audit Committee may, as it deems appropriate and reasonable, establish from time to time guidelines regarding the review of other Related Party Transactions. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

9. Interpretation

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI (LODR) Regulations, 2015, Accounting Standards or any other relevant legislations / laws applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

In case of any ambiguity or need for clarification with respect to the Policy, the Company should refer applicable provisions of Companies Act, 2013, SEBI (LODR) Regulations and any other applicable law and the related laws shall supersede the policy.

The Policy was recommended by Audit committee and thereon approved by Board of Directors vide their meeting held on 18th day of March, 2025.

This Policy shall be placed on the website of the company at www.halderventure.in.