

RELATED PARTY TRANSACTION POLICY

1. PREAMBLE

Miven Machine Tools Limited (“the Company”) is a public listed company and seeks to uphold good standards of corporate governance and internal controls. Towards this, the Board of Directors (“the Board”) of the Company, acting upon recommendation of its Audit Committee (“the Committee”), has adopted the following policy and procedures with respect to Related Party Transactions (“RPTs”) of the Company.

The Related Party Transaction Policy (“the Policy”) is in conformance with the Company’s Code of Conduct for Business and Ethics which provides that all Directors and Senior Management Personnel are required to disclose all potential or actual conflict of interest and take action(s) to eliminate such conflict, if so required.

- The Policy is in the best interests of the stakeholders of the Company and is in compliance with the requirements of the Companies Act, 2013, (“the Act”) and other applicable laws. Further, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“the LODR”), a policy must be formulated to deal with RPTs and their materiality. The Policy details the mechanism to deal with RPTs.

The board of directors shall review the policy atleast once in a year and update the same from time to time and as may be deemed necessary

2. DEFINITIONS

“Arm’s length transaction” means, transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Audit Committee or Committee” means, Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and the Act.

“Board” means, the Board of Directors of the Company.

“Key Managerial Personnel or KMP shall have the same meaning ascribed to it in the Act.

“Material Related Party Transaction” means, a transaction with a related party, if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds such limit of the annual consolidated turnover of the Company as per Listing Regulation 23 and contracts or arrangements given under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, requiring shareholders’ approval.

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 two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Ordinary Course of Business” means, transactions that are necessary, normal and incidental to the business, the objects of the Company permit such activity, there is a historical practice and pattern of frequency (not an isolated transaction), has connection with the normal business carried on by the Company.

“Related Party” is a party as defined in sub-section (76) of Section 2 of the Act and the Listing Regulations.

“Related Party Transaction (RPT)” means, any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged or not.

“Relative” means, relative as defined under the Companies Act, 2013.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013, or Rules framed thereunder, SEBI (LODR), Regulations, 2015, shall have the meaning assigned to them therein.

1. The Companies Act, 2013, or the rules framed thereon;
2. Listing Regulations;
3. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

3. **GENERAL GUIDELINES**

All RPTs shall be submitted to the Audit Committee for approvals. The Audit Committee shall also approve any subsequent (post approval) modifications of RPTs. The Accounts department shall refer all executed or proposed RPTs to the Audit Committee for prior approval or reporting as the case maybe.

All Material RPTs shall require approval of the shareholders by an ordinary resolution. No Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that, transactions entered into between the Company and a wholly-owned subsidiary of the Company where,

- (i) the accounts of the subsidiary are consolidated with the Company; and
- (ii) approved by the shareholders at a general meeting

shall not require approval of either Audit Committee or the Shareholders as prescribed under the Act, but shall require Board Approval.

The Audit Committee and/or Board as may be applicable in a given case, may give suitable directions / guidelines to implement the same.

4. IDENTIFICATION OF RELATED PARTIES & RPTs

- Each Director and “KMP” shall promptly notify the Audit Committee of any material interest that such person or relative of such person had, has or may have in any transaction with the company, by providing notice to the Board or Audit Committee of any potential RPT together with additional information about the RPT that the Board or Audit Committee may reasonably request.
- The Company prefers that such notices were given well in advance, so that all stakeholders have adequate time to obtain and review information about the proposed RPT.
- The Company Secretary shall maintain and notify the operating team about Related Parties to enable them to identify potential RPTs.

5. REVIEW AND APPROVAL OF RPTS

- All RPTs shall be referred to the Audit Committee for its review and approval;
- The Audit Committee, in order to review a RPT, shall be provided with information about the RPT including commercial terms, purpose, benefits to the Company and to the Related Party and any other relevant information;
- Any member of the Audit Committee who has an interest in any RPT, shall recuse himself or herself and abstain from discussion and voting on the approval of such RPTs;
- Any member of the Board, who has an interest in any RPT, shall recuse himself or herself and abstain from discussion and voting on the approval of such RPTs;
- All Material Related Party Transactions shall require approval of the shareholders, based on recommendation of the Board, through an ordinary resolution passed at the general meeting. However, approval of the shareholders will not be required by the Company for transactions with its wholly-owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Criteria for approving RPTs

To evaluate an RPT for approval, the Audit Committee shall consider the following factors, among others, to the extent relevant to the RPT:

- Whether the terms of the RPT are fair and on ‘arm’s-length-basis’ vis- à- vis the Company and the terms would be similar, if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
- Whether the RPT would affect the independence of an Independent Director;
- Whether the proposed RPT includes any potential reputational risk issues that may arise as a result of or in connection with the proposed RPT;
- Whether subsequent ratification of the proposed RPT is allowed and would be detrimental to the Company;

- Whether the RPT would present an improper conflict of interest for any director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director, KMP or other Related Party, the direct or indirect nature of the director's, KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee deems relevant;
- If the Audit Committee determines that a RPT should be placed before the Board, or if the Board chooses to review any such RPT or it is mandatory under any law for the Board to approve the RPT, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification(s) as may be necessary or appropriate.

Omnibus Approvals by the Audit Committee

- The Audit Committee may choose to grant omnibus approval ("Omnibus Approval") for a class of transactions which are repetitive in nature, as per the procedure specified for approving RPTs in this Policy. In addition to the criteria specified as above, the Audit Committee shall be required to specify in the Omnibus Approval:
 - 1) Name(s) of the Related Party, nature, period of transaction and maximum amount of the proposed RPTs;
 - 2) Indicative basis or formula for commercial terms; and
 - 3) Such other conditions as the Audit Committee may deem fit;
 - 4) In the event the need for a class of RPTs cannot be foreseen or the details specified in (1) to (2) above are not available, the Audit Committee may grant Omnibus Approval for such RPTs provided each transaction does not exceed Rs. 1,00,00,000/- (Rupees One crore).
- Audit Committee shall review the details of actual RPTs entered into by the Company pursuant to each of the Omnibus Approvals on a quarterly basis.
- The Omnibus Approvals shall be valid for a period not exceeding one year and shall require fresh approvals from the Audit Committee after the expiry of 1 (one) year from the grant of each approval.

Other RPTs that do not require specific prior approval of the Audit Committee

- Any transaction that involves compensation to a director or KMP 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.
- Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Act.
- Reimbursement of pre-incorporation expenses incurred by a Related Party as approved by the Board of Directors.
- Any other exception that is consistent with the Applicable Laws, including any rules or regulations made thereunder.

Notwithstanding the above, the Audit Committee shall approve all RPTs that are not at arm's length and/ or are not in the ordinary course of business.

RPTs not approved under this Policy

- In the event the Company becomes aware of any RPT that has not been approved under this Policy by the Audit Committee, prior to its consummation, it shall report such transactions to the Audit Committee that shall follow the procedure laid down in this Policy.
- In any case, save as otherwise provided in the Policy, where the Audit Committee determines not to ratify a RPT that has been commenced without its prior approval, the Audit committee as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission or revision of the transaction.
- Where a director and any other employees enters into any contract or arrangement without obtaining prior consent of the Board, the same shall be ratified by the Board at its meeting within three months from the date of entering into any such contract or arrangement.
- Notwithstanding the above, the right to ratify any such contract or arrangement beyond the period of three months, vests with the Board and/ or Shareholders, as the case may be, as may be deemed fit appropriate in the facts and circumstances.

6. DISCLOSURES

The details of related party transactions on a consolidated basis would be submitted, to the stock exchanges and published on the website of the Company on a half-yearly basis, within 30 days from the publication of the financial results.

Appropriate disclosures will be made as required under the Act and the Listing Regulations in Financial Statements and Board's Report, as applicable.

7. APPLICABILITY

In the event any provision contained in this Policy is inconsistent with the provision contained in the Listing Regulations, Companies Act, 2013, or Accounting Standards, etc. or any amendments thereto, (Regulatory Acts), the provision contained in the Regulatory Acts shall prevail.

8. AMENDMENTS

This Policy may be amended by the Board, at any time and is subject to the

- a) amendments to the Act and
- b) further guidelines from the SEBI

PROCESS FOR RELATED PARTY TRANSACTIONS

Version

Related Party Transaction (RPT) Process 1.0

Approval / Adoption of Process

The CS team shall notify this process after its adoption by the Audit Committee

Date of Adoption

< Date >

Applicability

Miven Machine Tools Limited (MMTL)

Scope of the Process

Identification of RPT, Classification of type of RPT as per policy for approvals, Commercial Rationale, Mandate Amendments, Authority for write offs/ Settlements

References

RPT Policy adopted by the Board (in force as on date of release of this Process note)

Templates

1. RPT reporting for transactions executed under omnibus approvals
2. RPT reporting for transactions executed with specific approvals

Definitions

Board	:	Board of Directors of MMTL
Audit Committee:		Audit Committee of Board of
MMTL Groups :		Business groups of MMTL
Chairman	:	Executive Chairman of MMTL
MMTL CS	:	Company Secretary
Leads	:	Heads of Groups
Originator	:	Employee originating the RPT
Controller	:	Finance Controller / Manager of
MMTL		
Policy	:	RPT Policy in force as adopted by the Audit Committee & the Board

Process

Identification of Related Parties

CS shall seek and maintain the list of related parties as declared by notified stakeholders including

CS shall also seek and maintain the list of Related Parties that are associated with MMTL as an entity including subsidiaries, holding companies, associate companies and any other such parties that shall be deemed to be related parties by being associated with MMTL.

Classification of Related Parties

CS shall classify the related Parties as below for appropriate action:

1. Directors
2. Key Managerial Personnel (KMP)
3. Transactions with 100% Subsidiaries of MMTL (**WoS**)
4. Transactions with Subsidiaries that are not 100% owned by MMTL (**Subsidiaries**)
5. Transactions with parties related to Promoters of MMTL (**Promoters**)
6. Transactions with parties other than above and are related to Directors and KMPs of MMTL
7. Transactions with parties other than above and are related to Directors and KMPs of subsidiaries or Associates of MMTL
8. Any Other Related Parties as maybe identified

Notification of Related Parties

CS shall notify the complete list (with classification) to the Accounts team & contracting teams including any changes thereof from as and when the list is amended. The notification shall include the names of the party, PAN and any other details that maybe required to identify such parties.

The Accounts team shall flag these parties as Related parties as and when such parties are set up in the books for the purpose of any transaction.

Notification of Approvals

CS shall notify the pre-approvals (including Omnibus approvals) in place (or changes thereof) on an ongoing basis to the accounts team and contracting teams.

CS shall notify the Accounts and Contracting teams about specific approvals received for RPTs on an ongoing basis.

Identification of Proposed RPTs

The Accounts team shall identify transactions proposed with Related parties as per list notified by the CS. The Accounts team shall classify the transaction based on the classification of the Related party.

Approval of RPTs

The rationale and basis shall be prepared or verified (depending on the nature of the transaction) to conform to the policy.

If the proposed RPT is,

1. In the ordinary course of business and
2. At arms-length and
3. within the pre-approved limits approved by the Audit Committee and
4. Document evidencing 1 & 2 are concluded

the Accounts team shall approve such transactions.

If the proposed RPT does not qualify as above, it shall be forwarded to the Audit committee through the CS in the specified template with adequate information including

1. Rationale
2. Contract terms

To seek limits under omnibus approval from the Audit Committee, the following particulars shall be specified:

1. Name of the Related Party, Nature of Transaction, Periodicity of Transaction, maximum cumulative value during the financial year
2. Indicative commercial basis

For all RPTs where the counterparties are group companies (subsidiary / associate / Parent / Promoter), it shall be verified prior to approvals, if the CFO and CS have certified that approvals are in place (Omnibus or Specific) as maybe applicable.

Post-facto approval of RPTs

In case for any reason whatsoever, RPTs were not identified in advance such RPTS shall be reported distinctly to the Audit Committee for consideration under the policy.

Templates

The CS shall notify the templates for reporting RPTS to the Audit Committee. The Accounts team shall use this template for this purpose.

Certification

The CFO shall provide a certificate for RPT transactions reported to the Audit Committee

ANNEXURE A

Records / Supporting documents required for establishing the ordinary course of business and arm's length pricing of a transaction with a Related Party

(a) Purchase/sale of material, goods etc.

- (i) Copy of agreements/Purchase Orders/correspondence exchanged/ letters of exchange /bills/ invoices etc.
- (ii) Quotation from un-related service provider.

(b) Purchase/ sale of property

- (i) Valuation reports from an independent valuer to ascertain Fair Market Value.
- (ii) Draft copy of agreement to sell/Draft of proposed sale deed.
- (iii) Brief terms and conditions and justification of such transaction.

(c) Availing/ Rendering Services

- (i) Copy of Agreement/ MOU/ Correspondence etc.
- (ii) Supporting documents justifying the transaction on arm's length basis.

(d) Loans/ Advances given or Taken

- (i) Agreements
- (ii) Statutory approvals wherever required.
- (iii) Rate of Interest not less than applicable sovereign rate.

(e) Guarantee/ Securities

- (i) Agreements.
- (ii) Other documents justifying the same.

(f) Subscription to shares/debentures/securities

- (i) Rationale
- (ii) Documents justifying that subscription is done/received at a rate on which placement has been made/shall be made to an un-related party.

(g) Rent Agreement

- (i) Copy of draft agreement.
- (ii) Quotation from a property dealer/ advisor in the area in which the property is located or a nearby area.

(h) Other transactions

- (i) Transaction Document (proposed)
- (ii) Rational for the Transaction
- (iii) Pricing of the Transaction

ANNEXURE B

To,
The Company Secretary
Miven Machine Tools Limited

Dear Sir,

I, -----, being a member of the Board of Directors/Senior Management of Miven Machine Tools Limited hereby acknowledge, confirm and certify that:

- i. I am aware of the Policy for Related Party Transactions of the Company.
- ii. During the financial year ----- I have entered into the following contracts/arrangements/transactions with the Company and such contracts/arrangements/transactions qualify as “Related Party Transactions” as per the Policy.
- iii. I am not aware of any non-compliance with the said policy.

Brief Particulars of the Transaction	Date of the transaction	Value of the Transaction	Reasons for qualifying it as Related Party Transaction	Remarks – whether in the ordinary course of business and on arm’s length basis.

Signed:
Name:
Designation:
Date:
Place: