

# **BN HOLDINGS LIMITED**

*(Formerly Arihant Tournesol Limited)*

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## **POLICY FOR RELATED PARTY TRANSACTION**

*(w.e.f February 13,2025)*

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## 1. PREAMBLE

The Company had initially introduced and implemented the Company's Policy on materiality of Related Party Transactions and dealing with Related Party Transactions also known as Policy on Related Party Transaction in accordance with the requirements of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and Companies Act, 2013. This Policy will supersede and substitute all the previous Related Party Transaction Policy(ies) of the Company which were in effect and were earlier adopted by the Board of Directors.

## 2. OBJECTIVE

This Policy is intended to put into place the mechanism for identifying, reviewing, and approving transactions between the Company and Related Parties (defined hereinafter as "**Related Party Transactions**"). This Policy has been prepared on fundamental principle that the Company shall enter only such Related Party Transactions that are in the best interests of the Company and its shareholders. The provisions of this Policy shall be applicable to all prospective transactions.

## 3. DEFINITIONS

- (a) "**Act**" means the Companies Act, 2013 ('**Act**') read with the Rules thereto including any subsequent amendments thereof.
- (b) "**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, as defined in the Act.
- (c) "**Associate Company**" means a company as defined under section 2(6) of the Act and as defined by Ind-AS 28 "Investments in Associates and Joint Ventures" (as amended from time to time).
- (d) "**Audit Committee**" or "**Committee**" means the Committee of Board of Directors of the Company, constituted under provisions of Listing Regulations and the Act.
- (e) "**Board of Directors**" or "**Board**" means the Board of Directors of BN Holdings Limited (formerly Arihant Tournesol Limited), as constituted from time to time.
- (f) "**Company**" means BN Holdings Limited (Formerly Arihant Tournesol Limited).

- (g) **"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).
- (h) **"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:
- i. Managing Director, Chief Executive Officer, or Manager;
  - ii. the Whole Time Director;
  - iii. the Company Secretary;
  - iv. the Chief Financial Officer; and
  - v. 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.
- (i) **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.
- (j) **"Material Modifications"** means modifications to the related party transactions which were earlier approved by the Audit Committee or Shareholders during the year which results into: -
- change in the nature of the transaction; or
  - increase in value in excess of 10% (ten percent) of the originally approved transaction value.
- (k) **"Material Related Party Transaction"** means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 Crores or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. 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, exceeds 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- (l) **"Ordinary course of business"** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum of Association & Articles of Association, from time to time.
- (m) **"Policy"** means this Related Party Transaction Policy.
- (n) **"Related Party"** means
- i. a director or his/her relative;
  - ii. a key managerial personnel or his/her relative;

- iii. a firm, in which a director, manager or his/her relative is a partner;
- iv. a private company in which a director or manager or his/her relative is a member or director;
- v. a public company in which a director or manager is a director or holds along with his/her relatives, more than two per cent. of its paid-up share capital;
- vi. 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;
- vii. any person on whose advice, directions or instructions a director or manager is accustomed to act:

*Provided that nothing in sub clauses (vi) and (vii) above shall apply to the advice, directions or instructions given in a professional capacity;*

- viii. any body corporate which is :
  - a holding, subsidiary or an associate company of the company; or
  - a subsidiary of a holding company to which it is also a subsidiary; or
  - an investing company or the venturer of the company;

*"the investing company or the venturer of the company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate;*
- ix. a director other than an independent director or key managerial personnel of the holding company of the Company or his relative, shall be deemed to be a related party;
- x. any person or entity forming a part of the promoter or promoter group of the Company; or
- xi. any person or any entity, holding equity shares of ten per cent or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.
- xii. such other person/entity as may be prescribed by the Act (including under applicable Ind-AS) and Listing Regulations.

(o) **"Related Party Transaction"** means any contract or arrangement with a Related Party with respect to:-

- 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.

Related Party Transaction shall also include a transaction involving transfer of resources, services, or obligations between 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.

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

Further, this may include any other transaction as may be specified from time to time.

(p) **"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;
- 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);

(q) **"Subsidiary Company"** or **"Subsidiary"** shall mean a company in which the Company-

- i. controls the composition of Board of Directors; or
- ii. exercises or controls more than one-half of the total voting power, either at its own or together with one or more of its subsidiary companies.

Any other term not defined herein shall have the same meaning as defined in the Act, Listing Regulations or any other applicable law or regulation, as amended from time to time.

#### **4. IDENTIFICATION, APPROVAL, AND REVIEW OF RELATED PARTY TRANSACTIONS**

The Company shall undertake the following for the purpose of identification, approvals, and review of all Related Party and/or Related Party Transactions (irrespective of the value/materiality of the same):

##### **A. IDENTIFICATION OF RELATED PARTIES**

All Directors/Manager/KMP are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms, or concerns at the time of

appointment, at the beginning of every financial year, and any change in such interest during the year in the manner and form specified herein below:

*Contents of Interest Declaration:*

- i. Names of his/her Relatives;
- ii. Partnership firms or any other firm/ entity in which he/she or his/her Relative is a Partner/ Member;
- iii. Private Companies in which he/she or his/her Relative is a Member or a Director;
- iv. Public Companies/ body corporate in which he/she is a Director or holds along with his/her Relatives more than 2% (two percent) of paid up share capital;
- v. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his/her advice, directions or instructions;
- vi. Persons on whose advice, directions or instructions, he/she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity);
- vii. Name of Bodies Corporate(s), in which he/she is a promoter, manager, CEO; and
- viii. Any other information as may be relevant.

The first-time declaration shall be given to the Company within 7 days of the policy becoming effective and declaration w.r.t. change during the year in the information furnished annually at the beginning of the year shall be furnished to the Company within 7 days of each such change.

The Company shall regularly update the Related Party List and review and confirm from the Directors/Manager/KMPs (at least once at the end of each half year in a financial year) in accordance with the Act and Listing Regulations.

## **B. IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

All Directors, KMPs, Officers authorised to enter contracts/arrangements will be responsible for providing prior Notice to the **Company Secretary** of any Related Party Transaction, including any additional information about the transaction that the Audit Committee/Board may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis. Besides the above, the Company will also identify any other Related Party as required under the Act and Rules thereunder and the Listing Regulations as may be applicable.

## **C. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION**

### **I. Prior approval of Audit Committee**

- 1) All related party transactions (excluding the exempted transactions) and subsequent material modifications thereof shall require prior approval of the Audit Committee of the Company.
- 2) All Related Party Transactions of a subsidiary(ies) and subsequent material modifications thereof shall require prior approval of Audit Committee, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten percent) of the annual standalone turnover, as per the last audited financial statements of such subsidiary.
- 3) 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, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of para (1) of clause (C)(I) above.

Further, Audit Committee shall consider and provide its recommendation to the Board for :

- i. Any related party transactions as referred in section 188 of the Act and which are not at Arm's Length and not in the ordinary course of business;
- ii. Any related party transactions, other than transactions referred to in section 188 of the Act, and where Audit Committee does not approve the transaction; and
- iii. Any material related party transaction.

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 provided in Regulation 23 of SEBI(LODR) Regulations, 2015.

The Company may obtain omnibus approval from the Audit Committee for related party transactions proposed to be entered into by the company or its subsidiary, subject to compliance with the following conditions:

- a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
  - i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - ii. the name(s) of the related party, nature of transaction and period of transaction
  - iii. The maximum value per transaction which can be allowed;





## **II. Approval of Board of Directors**

Related Party Transactions which are (a) not at Arm's Length or not in the ordinary course of business; and (b) within the thresholds laid down in Act or Listing Regulations (or elsewhere) required to be approved by the Board of the Company under the provisions of the Act and Listing Regulations.

Any related party transaction entered by a director or any other employee of the company without obtaining the approval of the Board, in the ordinary course of business or on an arm length basis/ price, may be ratified by the Board within three months from the date of the transaction.

## **III. Approval of Shareholders**

All material Related Party Transactions and subsequent material modifications shall require prior approval of Shareholders of the Company (as required by the Act or Listing Regulations) and Related Parties shall not vote to approve such resolution whether the entity is Related Party to particular transaction or not (as required by the Act or Listing Regulations).

In addition to the above, all kinds of transactions as specified in Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds, if any laid down in Act or Listing Regulation (or elsewhere) shall be placed before the Shareholders of the Company for their approval by way of a resolution.

Any related party transaction entered by a director or any other employee of the company without obtaining the approval of the Shareholders, may be ratified by the shareholders within three months from the date of the transaction. The Board of Directors shall provide its recommendation to the shareholders.

## **D. EXEMPTED RELATED PARTY TRANSACTIONS**

The following transactions shall not require approval of Audit Committee or Board or Shareholders:

- a. Any transaction that involves the providing of reimbursements or advances to a director or KMP to meet expenditure during his or her duties as such Director or KMP of the Company or any of its subsidiaries or associates.
- b. Any transaction in which the interest of Related Party 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.
- c. Transactions entered between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, as may be prescribed by the Act or Listing Regulations from time to time.

- d. Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- e. 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.
- f. the following corporate actions by the Company 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.
- g. 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
- h. The terms of the transaction are similar to those which would be otherwise applicable to the transactions with unrelated parties
- i. Any other transaction which may be prescribed by Act or Listing Regulations from time to time.

#### **E. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

The Committee/Board/Shareholders (as the case may be), will be provided with all relevant material information for approval of any Related Party Transaction, including the name of the related party, name of the director or KMP who is related, nature of relationship, material terms / nature of the transaction, duration of the transaction, monetary terms and value of the contract including variation in the value, if any, business purpose of the transaction, and such other particulars and details as prescribed under applicable law or required by Committee/Board. In determining whether to approve a Related Party Transaction, the Committee/Board will consider the following factors, among others, to the extent relevant to any Related Party Transaction:

- a. Whether the terms of the Related Party Transaction are fair and on arms' length basis to the Company, and would apply on the same basis as if the transaction did not involve a Related Party;
- b. In order to determine whether a proposed Related Party Transaction is at arm's length, the Committee may, while analysing Related Party Transactions ask for a valuation report from a valuer. Similarly, in order to determine whether a proposed Related Party Transaction falls within the meaning of 'ordinary course of businesses' of the Company,

the Committee may ask for an independent opinion from a legal expert. The Committee may also place such valuation report and/or the opinion so obtained before the Board for its consideration.

- c. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the alternative available with the Company, if any;
- d. Whether the Related Party Transaction would affect the independence of an independent director;
- e. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- f. Whether the Company was notified about the Related Party Transaction before its execution and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- g. Whether the Related Party Transaction 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, Executive Officer 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 Board/Committee deems relevant.

## **5. CONSEQUENCES OF NOT OBTAINING APPROVAL**

- a. If any contract / arrangement is entered into by a Director or any other employee without obtaining the consent of the Board / shareholders (by a Resolution), and if it is not ratified by the Board / shareholders, as the case may be, within 3 months from the date on which such contract / arrangement was entered into, such contract / arrangement shall be voidable at the option of the Board / shareholders, as the case may be, and if the contract / arrangement is with a related party to any Director, or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.
- b. Without prejudice to anything contained in the Act, it shall be open to the Company to proceed against a Director or any other employee who has entered into such contract or arrangement in contravention of the provisions of Section 188 of the Act for recovery of any loss sustained by it as a result of such contract / arrangement.

## **6. DISCLOSURES**

- a. The Company shall make relevant disclosures in its Annual Report/ Financial Statements/ Board Report/elsewhere, relating to the Related Party Transactions of the Company as may be required under the provisions of the Act or Listing Regulations or any other

applicable law, from time to time.

- b. The Company shall maintain a Register of Contracts or Arrangements as required under Section 189 of the Act containing the prescribed details under the provisions of the Act.
- c. Appropriate disclosures related to Related Party Transactions with Related Parties including material transactions shall be disclosed quarterly along with the compliance report on Corporate Governance, for onward submission to Stock Exchanges.
- d. Disclosure of all material related party transactions in the prescribed format shall be submitted to the Stock Exchanges every six months on the date of publication of its standalone and consolidated financial results and the same shall also be published on the website of the Company.
- e. This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.
- f. Any other disclosures shall be made, as may be required in accordance with the applicable statutory provisions.

## **7. REVIEW / AMENDMENT**

The adequacy of this Policy shall be reviewed and reassessed by the Board periodically based on the recommendations of Audit Committee, for any change that may be brought about due to any regulatory amendment or otherwise, but not later than 3 years.

The Board may, subject to applicable laws review and amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance.

## **8. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations / Act or any other statutory enactments, rules, the provisions of such Listing Regulations/ Act or statutory enactments, rules shall prevail over this Policy.