

**RELATED PARTY TRANSACTION POLICY**

**MILLENNIUM ONLINE SOLUTIONS  
( INDIA ) LIMITED**

**(CIN -L99999MH1980PLC062779)**

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## RELATED PARTY TRANSACTION POLICY

### PROLOGUE

The Board of Directors (the “Board”) of Millennium Online Solutions ( India ) Limited (the “Company”), acting upon the recommendation of its Audit Committee, has adopted this policy (the “Policy”) and procedures with regard to Related Party Transactions (“RPT”). The Audit Committee shall review and may amend this Policy from time to time. This Policy is framed as per requirement of Regulation 23 of the Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR), 2015”].

The objective of this Policy and procedure is to ensure that transactions between the Company and its related parties are based on principles of transparency and arm’s length dealings. Likewise, this Policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

### DEFINITIONS

- “The Act” shall mean the Companies Act, 2013 and the Rules framed there under, including modifications, clarifications, circulars or re-enactment thereof.
- “Policy” means Policy on Related Party Transactions.
- “Board” means Board of Directors of the Company.
- “Audit Committee” means Committee of Board of Directors of the Company constituted under the provisions of the Act and the Listing Obligations and Disclosure Requirements) Regulations, 2015
- “Arms Length Price” means a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest. For determination of arms Length Price, guidance may be taken from Transfer Pricing under Income Tax Act, 1961.
- “Accounting Standards” means the standards of accounting of any addendum thereto for Companies or Class of Companies referred to in Section 133 of the Act.

- “Key Managerial Personnel” OR “KMP” means  
The Chief Executive Officer (CEO) or the Managing Director or the  
Manager as defined under the Act;  
The Company Secretary;

The Whole-time Director; and  
The Chief Financial Officer (CFO).

- “Relative”, with reference to any person, means one who is related to  
another in any of the following manner-

- a. If they are members of a Hindu Undivided Family;
- b. If they are Husband & Wife;
- c. Father (Including step-father);
- d. Mother (Including step-mother);
- e. Son (Including step-son);
- f. Son’s Wife;
- g. Daughter;
- h. Daughter’s Husband;
- i. Brother (Including step-brother); or
- j. Sister (Including step-sister)

- “Related Party” shall mean a person or entity that is related to the  
company as defined under Section 2(76) of the Companies Act, 2013 or such  
entity is a related party under the applicable accounting standards or as  
provided in Regulation 2 of SEBI (LODR), 2015 as amended from time to time.

- “Related Party Transaction” shall mean all transactions between the  
Company and a Related Party as per Regulation 2 of the “SEBI (LODR), 2015”  
as may be amended from time to time.

### **DEALING WITH RELATED PARTY TRANSACTIONS**

Related Party Transactions are prohibited, unless approved or ratified  
by the Audit Committee and / or the Board of Directors of the Company  
in accordance with this policy. In dealing with Related Party Transactions,  
the Company will follow the following approach.

### **GUIDING PRINCIPLES**

- Related party transactions are either on arm’s length basis or in the best  
interest of the Company and collectively its shareholders.
- Analysis and discovery of true rationale for related party transactions by  
applying guiding factor of “substance over form”.

- Effective Governance of related party transaction by ensuring appropriate approvals.
- Effective transparent disclosures of related party transactions in an accurate manner as a part of financial statements.

## **POLICY**

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

## **IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS**

Any employee of the Company is aware of any transactions that is of may be perceived to be a related party transaction is required to bring the same to the attention of the Audit Committee of the Company.

All Directors, Members of the Management Committee & key Managerial Personnel (KMP's) are responsible for informing the Company of their interest (including interest of their relatives) in other Companies, firm of concerns at the beginning of every financial year and any change in such a interest during the year. In addition, all Directors , Members of the Management Committee & Key Managerial Personnel (KMP's) are responsible for providing notice to the Company Secretary of any potential related party transaction involving him/her or his or relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of the interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on arm's length basis.

Such notice of any potential related party transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and refer it to the Audit Committee.

The potential related party transaction shall be any contract or arrangement entered by the Company with the related party such as:

- Sale, Purchase or Supply of any goods or materials;
- Selling or otherwise disposing of, or buying property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;

- Underwriting the subscription of any securities or derivatives thereof,
- Any other transaction wherein transfer of resources, services or obligations is taking place with a related party, regardless of whether a price is charged as per the Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DECISION REGARDING TRANSACTION IN ORDINARY COURSE OF BUSINESS AND AT ARMS LENGTH**

The Audit Committee or the Board shall, in respect of the related party transactions referred to it for approval, shall after considering the materials placed before them; judge if the transaction is in the ordinary course of business and at arm's length basis.

**OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED**

The Audit Committee is authorized to grant omnibus approval for recurring transactions with related parties. The Audit Committee would review on a quarterly basis the aforesaid Related Party Transactions entered into by the company pursuant to each of the omnibus approval given. Fresh approval would be obtained on a financial year basis.

**REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee of the Company in accordance with this policy.

The Audit Committee shall grant Omnibus approval (valid for one year) to related party transactions that are

- a. Repetitive in nature, and/or
- b. Entered in the ordinary course of business and are at Arm's Length.

In an unforeseen event where a related party transaction for which Omnibus approval has not been given & needs to be entered due to business exigencies between two Audit Committee Meetings, the Audit Committee may approve such related party transaction by a passing a resolution by circulation.

All related party transaction that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval.

Any member of the Board/ Audit Committee shall abstain from voting on the approval of such related party transaction. However they may participate in discussion with respect to other related party transactions placed for approval of the Board.

Any such related party transaction shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and rules framed there under and the SEBI (LODR) Regulations, 2015.

All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

### **DISCLOSURE**

Appropriate disclosures as required under the Act and the SEBI (LODR) Regulations, 2015 will be made in the Annual Return, Board's Report and to the Stock Exchanges.

### **AMENDMENTS TO THE POLICY**

The Audit Committee of the Company shall review and may amend this policy from time to time subject to the approval of the Board of Directors of the Company.

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