

POLICY ON RELATED PARTY TRANSACTIONS

OBJECTIVE

The Board of Directors (the “Board”) of Imagicaaworld Entertainment Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions (including materiality of related party transactions and dealing with related party transactions) as defined below. The Audit Committee is to review and shall, from time to time, recommend amendments, if any, in this policy to the Board.

This policy is applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

This policy is primarily framed as per the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the provisions of Companies Act, 2013 (the “Act”) including Rules made there under, as amended from time to time.

The objective of this policy and procedure is to ensure the governance and reporting of transactions between the Company and its Related Parties.

DEFINITIONS

Term	Definition
Arms’ length Transaction	The expression “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.
Associate	shall have the same meaning as defined under section 2(6) of the Act and under the applicable accounting standards.
Audit Committee or Committee	means “Audit Committee” constituted by the Board of Directors of the Company under the provisions of SEBI Listing Regulations and the Act, from time to time.
Board of Directors or Board	means the Board of Directors of the Company, as constituted from time to time.
Holding Company	shall have the same meaning as defined under section 2(46) of the Companies Act, 2013.
Key Managerial Personnel	shall have the same meaning as defined under section 2(51) of the Companies Act, 2013.
Manager	shall have the same meaning as defined under section 2(53) of the Companies Act, 2013.



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Material Related Party Transaction	mean a transaction with a Related Party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceed(s) the limits of materiality under Regulation 23 of the Listing Regulations as may be amended from time to time or any statutory modifications or re-enactments thereof for time being in force. <i>(Note: To the extent limits of materiality under Companies Act, 2013 are inconsistent with the SEBI Listing Regulations, stricter interpretation shall be applied for all those transactions, which are not at arm's length or in ordinary course of business).</i>
Material Modification to related party transaction(s)	shall mean modification to the Related Party Transaction which substantially changes the nature / tenure of transaction as considered by Audit Committee while approving the transaction at the first instance.
Related Party	shall mean a related party as defined under Regulation 2(1)(zb) of SEBI Listing Regulations (as amended from time to time) and section 2(76) of the Act.
Related Party Transaction ("RP")	shall mean all transaction as per Section 188 of the Act and Regulation 2(1)(zb) of SEBI Listing Regulations, as amended from time to time.
Relative	shall have the same meaning as defined under section 2(77) of the Act and rules prescribed thereunder.
Subsidiary	shall have the same meaning as defined under section 2(87) of the Act.
Transactions in the ordinary course of business	mean transactions/activities that are connected to or necessary for the business of the Company or the Subsidiary and satisfy the following principles: <ul style="list-style-type: none"> - The transaction/activity is permitted under the Memorandum of Association of the Company or the Subsidiary; - The transaction/activity is carried on a frequent or regular basis or is as per the industry practice; - the activity is in furtherance of the business - The terms of the transaction/activity are similar to those which would be otherwise applicable to transactions with unrelated parties.

Explanation: Any words / terms used in the Policy but not defined herein shall have the same meaning ascribed to it, in the Act or rules made thereunder, the SEBI Listing Regulations or any other relevant legislation / law applicable to the Company.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS (RPTs)

Identification of Related Party

Each Director and Key Managerial Personnel (KMP) is responsible to notify to the Board regarding persons and entities to be considered as `Related Parties` by virtue of his/her being Director/ KMP in the Company. Such Notice shall be issued to the Company at the time of appointment and also at the time of first board meeting in every



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financial year and whenever there is any change in the disclosures already made. In addition to above, management is to identify other related parties based on control exercised by the Company on them and vice-versa within the meaning of Companies Act, 2013 and Indian Accounting Standard.

Identification of Potential Related Party Transactions

On the basis of related parties identified as above, the Management is to intimate Audit Committee or Board, as may be required, of any potential Related Party Transaction with any person or entity, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee is/are to determine whether the transaction genuinely constitutes a Related Party Transaction requiring compliance with this policy.

Review and Approval of Related Party Transactions

Approval of Audit Committee

- a) Subject to the omnibus approval process under Regulation 23(3) of the SEBI Listing Regulations and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2015, all Related Party Transactions and subsequent Material Modifications shall require prior approval, recommendation or ratification by the Audit Committee whether at a meeting or by resolutions by circulation.
- b) A Related Party Transaction to which the Subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the threshold limits specified under Regulation 23(2) of SEBI Listing Regulations, as amended from time to time.
- c) Where any member of Audit Committee / Director is interested in any contract or arrangement with a Related Party, such member / Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- d) Audit Committee approval shall not be required for remuneration and sitting fees paid by the Company to its Directors, Key Managerial Personnel or Senior Management Personnel, except who is a part of promoter or promoter group, provided they are not material in terms of the provisions of SEBI Listing Regulations.

Approval of the Board of Directors

The following transactions shall require approval of the Board duly recommended by the Audit Committee:

- a) All transactions with Related Parties specified under Section 188 of the Companies Act, 2013 which are not in ordinary course of business or not at arm's length, or both.
- b) All transactions with Related Parties which are required to be placed before the shareholders for approval under the Companies Act, 2013 or SEBI Listing Regulations.

Approval of Shareholders

- a) All the Material Related Party Transactions and any subsequent Material Modifications made thereto (other than transactions entered into by the Company with its wholly owned subsidiary, whose accounts are



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consolidated with the company and placed before the shareholders at the general meeting for approval) require prior approval of the shareholders through resolution and no Related Party shall vote to approve such resolutions irrespective of whether the entity is a party to the particular transaction or not.

- b) All Related Party Transactions specified under Section 188 of the Companies Act, 2013 which are not in the Ordinary Course of Business and/or are not at Arms' Length Basis and and exceed the threshold limits specified thereunder shall require prior approval of the shareholders through resolution and voting restrictions for this purpose would be governed by the Companies Act and SEBI LODR as amended from time to time.

Procedure for approving Related Party Transactions and Material Modifications

The Audit Committee/Board/shareholders shall be provided with the material facts of such Related Party Transactions and such information as specified under the Act or SEBI Listing Regulations or any notifications / circulars issued in this regard, as amended from time to time, and the Audit Committee/Board will determine whether to approve such Related Party Transactions or not.

In assessing a Related Party Transaction, the Company and the Audit Committee shall consider such factors as it deems appropriate, including without limitation –

- a) the business reasons for the Company to enter into the Transaction with related party;
- b) the commercial reasonableness of the terms of the Transaction;
- c) the materiality of the Transaction to the Company or its Subsidiaries;
- d) whether the terms of the Transaction are fair to the Company / its Subsidiaries and on the same basis as would apply if the transaction did not involve a Related Party;
- e) the direct or indirect nature of the RP's interest in the transaction and the continuous nature of the transaction;
- f) valuation methodology used and other possible approaches for valuation of the transaction.

The Audit Committee will be provided with all the information of the RPT as required under the Companies Act, 2013 and the Rules made thereunder and the SEBI Listing Regulations, as amended from time to time, respectively.

Omnibus Approval:

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

1. The following criteria for granting omnibus approvals are fulfilled:
 - The transactions qualify to be in the "Ordinary Course of business" as defined above and satisfy "Arm's length price" condition
 - The transactions are repetitive in nature
2. The omnibus approval granted by the Audit Committee shall include the following particulars:
 - i. Name of the related parties and nature of relationship with the Company;



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- ii. Nature and duration of the transaction;
 - iii. Maximum amount of transaction that can be entered into;
 - iv. The indicative base price or current contracted price and the formula for variation in the price, if any; and
 - v. Such other conditions as the Audit Committee may deem fit and as mandated under applicable laws.
3. In case of any Related Party Transaction that 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 (one) crore per transaction.
 4. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its Subsidiary pursuant to each of the omnibus approval given.
 5. The Audit Committee shall review the status of long-term (more than one year) and recurring Related Party Transactions on an annual basis.
 6. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Ratification of Related Party Transactions:

Audit Committee (comprising Independent Directors) may ratify RPT 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 following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually; or taken together, during a financial year shall not exceed rupees one crore;
- ii. the transaction is not material in terms of Listing Regulations;
- iii. rationale for inability to seek prior approval for the transaction shall be shared at the time of seeking ratification; and
- iv. details of the ratification shall be disclosed alongwith the RPT disclosure under SEBI Listing Regulations. Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any Director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

Related Party Transactions that do not require approval:

- i. Transactions exempted under Regulation 23 of the SEBI Listing Regulations and the Act.
- ii. Remuneration and sitting fees paid by the Company 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 the Act and the SEBI Listing Regulations.
- iii. Such other transactions which have been specifically excluded from the definition of Related Party Transactions under the proviso to Regulation 2(zc) of the SEBI Listing Regulations, and therefore, do not require the Company to obtain the Audit Committee's approval.



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DISCLOSURES

The Company shall make necessary disclosures as per the requirements under the Act, SEBI Listing Regulations and Indian Accounting Standards, as the case may be within the prescribed timelines and also make specific disclosures for the review and approval of Related Party Transactions in the Audit Committee Meeting and/or General Meeting as the case may be, as prescribed in the Industry Standard Note issued by the Industry Associations under the aegis of the Stock Exchanges from time to time, in this regard.

AMENDMENTS TO THE POLICY

The Policy would be subject to revision/amendment in accordance with the Laws. The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. However, the policy shall be reviewed by the board of directors at least once every three years and updated accordingly. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. Any subsequent amendment(s)/ modification(s)/ circular(s)/ clarification(s)/ notification(s) in/under the SEBI Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment thereof, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.



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