



## **Fusion CX Limited**

### **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS**

## Document Control Information

<b>Regulatory Framework</b>	Pursuant to Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. And Regulation 23 of SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015
<b>Approval Authority</b>	Approved by the Audit Committee and Board
<b>Date of Approval</b>	28 <sup>th</sup> March 2025
<b>Effective Date</b>	1 <sup>st</sup> April, 2025
<b>Corporate Details</b>	Fusion CX Limited (CIN: U72900WB2004PLC097921) Plot No. Y9, Block EP & GP, Sector-5, Bidhan Nagar, Salt Lake, Kolkata, KOLKATA, West Bengal, India, 700091
<b>Document Version</b>	Version [1.0]

## Table of Contents

<b>1</b>	<b><i>Introduction .....</i></b>	<b>3</b>
<b>2</b>	<b><i>Objectives of the Policy .....</i></b>	<b>4</b>
<b>3</b>	<b><i>Definitions .....</i></b>	<b>4</b>
<b>4</b>	<b><i>Identification of Related Parties and Transactions .....</i></b>	<b>5</b>
<b>5</b>	<b><i>Approval Mechanism for Related Party Transactions .....</i></b>	<b>5</b>
<b>6</b>	<b><i>Materiality Thresholds.....</i></b>	<b>6</b>
<b>7</b>	<b><i>Disclosure and Reporting.....</i></b>	<b>6</b>
<b>8</b>	<b><i>Roles and Responsibilities .....</i></b>	<b>7</b>
<b>9</b>	<b><i>Policy Review and Amendments .....</i></b>	<b>7</b>
<b>10</b>	<b><i>Our Commitment and Implementation .....</i></b>	<b>8</b>



# 1 Introduction

This policy document outlines Fusion CX Limited's approach to identifying, reviewing, and approving related party transactions. It establishes guidelines for determining materiality, disclosure requirements, and approval processes in compliance with regulatory standards. The policy aims to ensure transparency, fairness, and proper governance in transactions involving related parties.

## 1.1 Regulatory Provisions

The policy draws upon:

- Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.
- Regulation 23 of SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, which mandates:
  - a) The formulation of a policy on materiality of RPTs.
  - b) Clear guidelines for dealing with RPTs, including setting threshold limits.

## 1.2 Objectives

The objectives of this policy are to:

- Ensure transparency and fairness in related party transactions.
- Establish guidelines for identifying and classifying related party transactions.
- Set materiality thresholds for transactions requiring specific approvals.
- Define approval processes for different categories of transactions.
- Ensure compliance with applicable laws and regulations.

## 1.3 Policy Review

The policy will be reviewed annually by the Audit Committee, and any modifications will be recommended to the Board for approval.



## 1.4 Scope and Applicability

Where the terms of this policy differ from any existing or newly enacted law, rule, regulation, or standard governing the company, the law, rule, regulation, or standard will take precedence until such time as the policy is amended to align with it.

## 2 Objectives of the Policy

The primary objectives of this policy are to:

- (a) Ensure transparency and fairness in related party transactions
- (b) Establish clear guidelines for identifying and classifying related party transactions.
- (c) Define the materiality thresholds for related party transactions.
- (d) Set forth the approval processes for different transaction categories.
- (e) Ensure compliance with applicable laws and regulations.

## 3 Definitions

- i. **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, ensuring no conflict of interest.
- ii. **“Audit Committee”** means the Audit Committee constituted under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR Regulations.
- iii. **“Board”** means the Board of Directors of the company.
- iv. **“Company”** means Fusion CX Limited.
- a. **“Material Related Party Transaction”** means a transaction/contracts with a related party where the transaction(s) to be entered into individually or taken together with previous transactions with a related party during a financial year exceed ₹50 crore or 10% of the annual consolidated turnover, whichever is lower.
- v. **“Ordinary Course of Business”** means a transaction that aligns with the company’s regular business activities as specified in its Memorandum of Association.
- vi. **“Related Party”** means an entity related to the company as defined under Section 2(76) of the Companies Act, 2013 or under applicable accounting standards.



- vii. **“Related Party Transaction (RPT)”** means a transfer of resources, services, or obligations between the company and a related party, regardless of whether a price is charged.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR Regulations, or any other applicable law.

## 4 Identification of Related Parties and Transactions

### 4.1 Database of Related Parties

The company shall maintain an up-to-date database of related parties based on disclosures received from Directors and Key Managerial Personnel (KMPs).

### 4.2 Annual Declaration

Directors and KMPs shall make an annual declaration of related parties and potential transactions.

### 4.3 Ongoing Disclosure

Any changes in related parties or potential transactions shall be promptly communicated to the Company Secretary.

### 4.4 Subsidiary Transactions

The company shall obtain and maintain lists of related parties and proposed transactions from its subsidiaries.

## 5 Approval Mechanism for Related Party Transactions

### 5.1 Audit Committee Approval

- All RPTs and subsequent material modifications require prior approval of the Audit Committee.
- The Committee may grant omnibus approval for repetitive transactions, subject to specified conditions.



## 5.2 Board Approval

- Transactions not in the ordinary course of business or not at arm's length require Board approval.
- All material RPTs shall be recommended by the Audit Committee to the Board.

## 5.3 Shareholder Approval

- Material RPTs and specified transactions exceeding thresholds under the Companies Act require shareholder approval through a resolution.
- Related parties shall abstain from voting.

# 6 Materiality Thresholds

Fusion CX Limited has established the following materiality thresholds for RPTs:

- Transactions exceeding ₹50 crore or 10% of the annual consolidated turnover, whichever is lower.
- Payments for brand usage or royalty exceeding 5% of consolidated turnover.

# 7 Disclosure and Reporting

## 7.1 Statutory Filings

Details of material RPTs shall be included in the Board's Report to shareholders with justification.

## 7.2 Financial Statements

RPTs shall be disclosed in the financial statements as per applicable accounting standards, including the nature of the relationship, transaction details, and outstanding balances.

## 7.3 Stock Exchange Submissions

Material RPTs shall be disclosed in the quarterly corporate governance report submitted to stock exchanges.



## 7.4 Website Disclosure

This policy shall be published on the company's website, and a web link shall be provided in the Annual Report.

# 8 Roles and Responsibilities

## 8.1 Employees

All employees involved in initiating or executing RPTs shall ensure compliance with this policy and report any deviations to the Company Secretary or Audit Committee.

## 8.2 Company Secretary

The Company Secretary shall maintain the database of related parties, ensure compliance with regulatory filings, and communicate policy updates to relevant stakeholders.

## 8.3 Audit Committee

The Audit Committee shall review the policy annually, ensure proper implementation, and recommend changes to the Board.

# 9 Policy Review and Amendments

## 9.1 Review

The policy shall be reviewed by the Audit Committee at least once every three years or when regulatory changes demand.

## 9.2 Amendment

The Board shall have the authority to amend the policy as deemed necessary.





## 10 Our Commitment and Implementation

This policy reflects Fusion CX Limited's commitment to ethical business practices and regulatory compliance. The company shall:

- Conduct regular training sessions for employees on identifying and managing RPTs.
- Integrate RPT checks into internal audit processes.
- Establish a whistle-blower mechanism for reporting policy violations.

The Board of Directors and Audit Committee shall oversee the implementation of this policy and address any challenges that arise.

**Date: 1<sup>st</sup> April, 2025**

**Place: Kolkata**