

OMAXE LIMITED

POLICY ON RELATED PARTY TRANSACTION(S) AND ITS MATERIALITY

1. Preamble

Omaxe Limited (hereinafter referred to as "**Omaxe**") has adopted this Policy on Related Party Transaction(s) and its materiality ("**Policy**") and its compliance under the Companies Act, 2013, the rules made thereunder, relevant Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015").

This policy has been re-adopted by board of directors in its meeting held on November 14, 2024 and shall be effective from November 14, 2024 in line with SEBI Listing Regulations, 2015.

This policy will be applicable to the Company and is framed to regulate transaction(s) between the Company and its Related Party (ies) and also will determine the materiality of the transactions based on laws and regulations applicable to the Company.

2. Purpose

This policy is framed as per requirement of Regulation 23 of SEBI Listing Regulations, 2015 and also enshrines the requirement under Section 188 of Companies Act, 2013 and rules made thereunder, both as may be amended and applicable from time to time and is intended to ensure the proper approval and reporting of transaction(s) between the Company and its Related Party(ies). Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

3. Definitions

A. "**Act**" means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

B. "**Arm's Length Transaction**" means a transaction between the Company and its related party (ies) (defined hereinafter) that is conducted as if they are unrelated, so that there is no conflict of interest. The term 'Arm's Length' shall be construed accordingly.

C. "**Associate Company**", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—For the purpose of this clause- ,

- (i) the expression "significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement;
- (ii) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement."

D. "**Audit Committee or Committee**" means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- E. **"Board"** means Board of Directors of Omaxe Limited
- F. **"Company"** means Omaxe Limited.
- G. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- H. **"Holding Company"** shall have the meaning as specified under section 2(46) of Companies Act, 2013.
- I. **"Key Managerial Personnel"** means Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013.
- J. **"SEBI Listing Regulations, 2015"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- K. **"Material Modification"** Material modification will mean and include any modification to an existing related party transaction having variance of 50% of the existing limit as sanctioned by the Audit Committee.
- L. **"Material Related Party Transaction(s)":** Transactions with a related party shall be considered as "material related party transaction" if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crore or Ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such sum as may be prescribed under SEBI Listing Regulations, 2015 and as amended from time to time.
- 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 five percent (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- M. **"Policy"** means Policy on Related Party Transaction(s) and its materiality.
- N. **"Related Party"** has the meaning as assigned to it under the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, 2015.
- O. **"Related Party Transaction"** means a related party transaction as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations, 2015, as amended from time to time and shall include transactions covered under clause (a) to (g) of Section 188(1) of the Companies Act, 2013.
- P. **"Relative"** means relative as defined under Section 2(77) of the Companies Act, 2013 and rules prescribed thereunder.

Q. "Omnibus Approval" means Omnibus Approval as stated in Clause 5 of this Policy made in line with Rule 6A of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI Listing Regulations, 2015, as amended and applicable from time to time.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act read with the rules made thereunder, the SEBI Listing Regulations, 2015 and any other applicable laws or regulations for the time being in force.

4. Prior approval/Approval of Audit Committee

- i. All Related Party Transaction(s), subject to Omnibus Approval under Clause 5, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. However, the Audit Committee may grant Omnibus Approval for the Related Party Transaction(s) laid down in Clause 5 herein below adopted in line with Rule 6A of the Companies (Meeting of Board and its Power), 2014 and Regulation 23 of SEBI Listing Regulations, 2015, as may be amended and a from time to time.
- ii. Only those members of the audit committee, who are independent directors, shall approve related party transactions.
- iii. A related party transaction to which the subsidiary of a listed entity is a party but the listed entity 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 ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- iv. Prior approval of the Audit Committee is not required for a Related Party Transaction involving a listed subsidiary of the Company, where the Company itself is not a party, provided that Regulation 23 and Regulation 15(2) of the SEBI Listing Regulations apply to the listed subsidiary.
- v. If the Audit Committee does not approve a Related Party Transaction (other than those specified in Section 188(1)(a) to (g) of the Act), it shall refer the transaction to the Board with its recommendations for approval.
- vi. Any Related Party Transaction entered into by a Director/ officer of a Company involving an amount not exceeding Rupees one crore which has been undertaken without obtaining the prior approval of the Audit Committee, or which is not ratified within 3 (three) months of entering into such transaction, shall be voidable at the option of the Audit Committee and if the contract or arrangement is with a Related Party to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.
- vii. Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction shall abstain from discussion and voting on such Related Party Transaction.

5. Omnibus Approval

- i. The Audit Committee shall lay down the criteria/Policy and Guidelines for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- ii. The Audit Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down under Section 177(4) (iv) of the Act and Regulation 23 of the SEBI (LODR)

Regulations, 2015, for the transaction which are repetitive in nature and the audit committee shall satisfy itself regarding the need/justification of such transaction(s) and such transaction(s) being in the best interest of the Company, post approval of the Board, provides Omnibus Approval for such transaction(s) fulfilling the criteria as mentioned herein below:

- a) All Related Party Transaction(s) with the Related Party (ies) fulfilling the criteria therein in regard to name of related parties, nature and duration of transaction, maximum value of transaction that can be entered into, indicative base price, current contracted price, formula for the variation in the price, if any, etc. may be entered into by the Company, from time to time.
 - b) All Related Party Transaction(s) with the Party(ies) may not be foreseen and aforesaid details are not available at the time of entering into such transaction(s) may be entered into upto a value not exceeding Rupees One Crore per transaction in a financial year, by the Company.
 - c) The Audit Committee may also do such acts and deeds, and things including but not limited to delegating such powers to such authorized person(s) authorizing for entering, executing, signing such agreements, undertakings, letters, documents, papers etc. and/or to do all such other things and deeds for giving effect to the above referred Transaction(s) approved under the Omnibus Approval Route.
- iii. A statement of Related Party Transaction(s) entered here under during the relevant quarter, shall be placed before the Audit Committee for its review and noting, on a quarterly basis at the meeting considering the quarterly/half yearly/annual Financial Results of the Company.
 - iv. This Omnibus Approval as contemplated herein above shall be put up for the approval of Audit Committee on annual basis and as and when required.

6. Approval of Board of Directors of the Company

- I. The following contract or arrangement with a Related Party, which either is not in the ordinary course of business or, though in the ordinary course of business, is not conducted on an arm's length basis, shall require prior approval from the Board. This approval must be granted through a resolution passed at a Board meeting and may be subject to any conditions as prescribed:
 - a) sale, purchase or supply of any goods or materials;
 - b) selling or otherwise disposing of, or buying, property of any kind;
 - c) leasing of property of any kind;
 - d) availing or rendering of any services;
 - e) appointment of any agent for purchase or sale of goods, materials, services or property;
 - f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - g) underwriting the subscription of any securities or derivatives thereof, of the company
- II. All Material Related Party Transactions and any subsequent Material modifications must be approved by the Board before being presented to shareholders for their approval, except for transactions between the Company and its wholly-owned Subsidiary or between two wholly-owned Subsidiaries, whose accounts are consolidated and presented to shareholders for approval at the general meeting.
- III. A Director with an interest in a Related Party contract or arrangement must abstain from attending the Board meeting during discussions and voting on the related resolution.

- IV. If a Director or other employee enters into a contract or arrangement without prior approval from the Board or shareholders, and it is not ratified within three months, the contract may be voidable at the discretion of the Board or shareholders. If the contract involves a Related Party of any Director or is authorized by another Director, the concerned Directors must indemnify the Company for any resulting losses.

7. Shareholders' Approval

- i. Any contract or arrangement under clause 6 (I) that requires Board approval and exceeds the limits set under Section 188 of the Act must be approved by shareholders via resolution, except for transactions between the Company and its wholly-owned Subsidiary, whose accounts are consolidated and presented for shareholder approval. Shareholders who are Related Parties in the context of the transaction must abstain from voting on the resolution.
- ii. Under Regulation 23(5)(b) and (c) of the SEBI Listing Regulations, 2015 all Material Related Party Transactions and Subsequent Material Modifications require prior shareholder approval via resolution. Related Parties, regardless of their involvement in the transaction, must abstain from voting. However, shareholder approval is not needed for a Related Party Transaction involving a listed subsidiary of the Company, where the Company is not a party, provided the relevant Regulation 23 and Regulation 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary
- iii. SEBI Regulations apply to the subsidiary.

8. Process of Identification of Potential Related Party Transaction(s)

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction(s) involving related party, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction(s) does, in fact, constitute a Related Party Transaction(s) requiring compliance with this policy.

The concerned functional / business head shall forward to the company secretary and chief financial officer, the details of any proposed Related Party Transaction with the draft terms and conditions or other related information and certifying that such transactions are at Arm's Length and in the ordinary course of business. The company secretary or the chief financial officer, upon receipt of such information, will furnish the same to Audit Committee for its approval and further action, if any.

Any proposed modification(s) in the Related Party Transactions already entered into shall be intimated to the company secretary and chief financial officer by the functional/ business head, which shall be placed before the Audit Committee for its prior approval in accordance with this Policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

9. Review and Approval of Related Party Transaction(s) and Material Related Party Transaction(s)

A. To review a Related Party Transaction(s), the Committee will be provided with all relevant material information of the Related Party Transaction(s), including the terms of the

transaction(s), the business purpose of the transaction(s), the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction(s):

- a) Whether the terms of Related Party Transaction are fair and on arms' length basis to the Company and would apply on the same basis if the transaction(s) did not involve a Related Party;
- b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction(s) and the nature of alternative transactions, if any;
- c) Whether the Related Party Transaction (s) would affect the independence of an independent director;

Whether the proposed Transaction (s) includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction(s);

- d) Whether the Company was notified about the Related Party Transaction (s) before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- e) Whether the Related Party Transaction (s) would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel'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.

B. In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

Further all such Related Party Transaction(s) entered into prior to coming of this Policy and subject to applicable Laws/Regulations if entered into by the Company in the ordinary course of business at arm's length basis and in the best interest in the company, and stand ratified and approved.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional action including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction(s), the Committee has authority to modify or waive any procedural requirement(s) of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

8. Exceptions

Notwithstanding the foregoing, the following Related Party Transaction(s) shall not require approval of Audit Committee or Board or Shareholders:

- i. Any transaction(s) entered into by the Company with its wholly owned subsidiaries, whose accounts are consolidated with the Company and place before the shareholders at the general meeting for approval.
- ii. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- iii. Transactions entered into between two government companies.
- iv. Any transaction(s) that involves the providing of compensation to a Director or Key Managerial Personnel 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.
- v. Any transaction(s) 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.
- vi. All Related Party Transactions(s) or Transaction(s) with Related Party(ies) or Related Party(ies) which are exempted from such noting, approval etc, by or under the Companies Act, 2013 and Rules made thereunder and/or SEBI(Listing Obligations and Disclosures Requirements) Regulations,2015 both as amended and applicable from time to time, shall also be exempted under this Policy and Company my enter into such Transaction(s) accordingly.

9. Disclosure

Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report. This Policy shall also be uploaded on the website of Company and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall also disclose the details of all material Related Party on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Regulation 27(2)(b) of SEBI LODR Regulations in addition to statement under 23(9) of the SEBI LODR Regulations to the Stock Exchanges.

10. Policy Review

This Policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of SEBI Listing Regulations, 2015.

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy.

The Board may, basis the recommendations from the Audit Committee, make any amendments to the Policy from time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. A note in relation to such changes shall be placed in subsequent meeting of the Board and Audit Committee.

The amendments being made shall be effective from November 14, 2024.

The Amended Policy was approved on November 14, 2024.