

**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 Policy and its materiality ("Policy") with regard to Related Party Transaction(s) 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.

The Audit committee will review and recommend the Board any amendments required to be made to this policy, from time to time. This policy has been re-adopted by board on 14<sup>th</sup> February, 2022 and shall be effective from April 01, 2022 in line with SEBI (LODR) (Sixth Amendment) Regulations, 2021.

This policy will be applicable to the Company and framed to regulate transaction(s) between the Company and its Related Party(ies) and also 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 Obligations and Disclosure Requirements) 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. "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.

**B. "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.

- C. "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.
- D. "Board"** means Board of Directors of Omaxe Limited
- E. "Company"** means Omaxe Limited.
- F. "Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- G. "Holding Company"** shall have the meaning as specified under section 2(46) of Companies Act, 2013.
- H. "Key Managerial Personnel"** means Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013.
- I. "Listing Regulations"** means SEBI (LODR) Regulations, 2015 as amended from time to time.
- J. "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.
- K. "Materiality of 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 Crores or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity , whichever is lower" or such sum as may be prescribed under SEBI (Listing Obligations and Disclosure Requirements) 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 of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- L. "Policy"** means Policy on Related Party Transaction(s) and its materiality..
- M. "Related Party"** means related party as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, , as amended from time to time.

The definition of related party as defined under section 2(76) of the Companies Act, 2013 is reproduced as follows:

Related Party with reference to the Company under Section 2(76) of the Companies Act, 2013 means

- i. a Director or his relative
- ii. a Key Managerial Personnel or his relative
- iii. a firm, in which a Director, Manager or his relative is a partner
- iv. a private company in which a Director or Manager or his relative is a Member or Director
- v. a public company in which a Director or Manager is a Director and holds along with his

relatives, more than two per cent of its paid-up share capital

vi. any Body Corporate whose Board, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager

vii. any person under whose advice, directions or instructions a Director or Manager is accustomed to act;

Provided that nothing in sub-clauses (vi) and (vii) shall not apply to the advice, directions or instructions given in a professional capacity;

viii. any company/body corporate which is –

(A) a holding, subsidiary or an associate Company of such Company; or

(B) a subsidiary of a holding Company to which it is also a subsidiary or

(C) an investing company or the venturer of the Company; ix. Director other than an independent director or Key Managerial Personnel of the holding company.

**N. "Related Party Transaction"**

A. means a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and including transactions as defined as a "related party transaction" under the relevant provisions of the Companies Act, 2013 or the SEBI Listing Regulations or any other related law, regulation, standard.

B. includes the following transactions with related party(ies) as defined under Section 188(1) of the Companies Act, 2013:

- i. Sale, purchases 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 purchases 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

**O. Relative**" means relative as defined under Section 2(77) of the Companies Act, 2013.

**P. "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 Obligations and Disclosure Requirements) Regulations, 2015, as amended and applicable from time to time.

**4. Policy**

- 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 Obligations and Disclosure Requirements) Regulations, 2015 ,as may be amended and a from time to time.

- ii. All Related Party Transaction(s), irrespective of any limit, as mentioned under Clause E (ii) of this Policy also require approval of the Board. The Board can approve such transaction(s) only at its Meeting.
- iii. All Material Related Party Transactions and such related party transaction(s) as mentioned in Clause E (ii) of this Policy ,exceeding the threshold limit mentioned under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, shall further also require the approval of the Shareholders.

## **5. Omnibus Approval**

- i. 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 Finance 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.
- ii. 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.
- iii. 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. 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.

## **7. 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.
- f) If the Committee determines that a Related Party Transaction(s) should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any

law for Board to approve the Related Party Transaction(s), then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

- g) All Related Party Transaction(s) requiring approval by the Shareholder through Resolution the same shall be put for Shareholder Approval and the Related Party(ies) shall abstain from voting on such Resolutions whether the entity is a related party to the particular transaction or not.
- B. All Related Party Transactions(s) and subsequent "material modifications", will be referred to the meeting of Audit Committee for review and approval, provided that only members who are independent director can approve the transaction;

A Related Party Transaction to which the subsidiary of a Omaxe Limited is a party but the Omaxe Limited is not a party, shall require prior approval of the Audit Committee 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 consolidated turnover, as per the last audited financial statements of the Omaxe Limited;

With effect from April 1, 2023, a Related Party Transaction to which the subsidiary of Omaxe Limited is a party but the Omaxe Limited is not a party, shall require prior approval of the Audit Committee 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;

Any member of the Committee who has a potential interest in any Related Party Transaction(s) will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction(s).

- C. All material related party transactions and subsequent material modifications shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

All Related Party Transactions in excess of the limits prescribed under the Section 188 of the Companies Act, 2013 and the Rules made thereunder, which are not in the ordinary course of business or not on Arm's Length basis shall also require prior approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.

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 actions

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. Any transaction(s) which are in the ordinary course of Company's business and entered on Arm's Length basis.
- iii. 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.
- iv. 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.
- v. 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 may enter into such Transaction(s) accordingly.