



OMAX AUTOS LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS Renewed as per Board Meeting held 02.11.2023

1. Objective:

The recent changes in the Corporate Governance norms through the Companies Act, 2013 and Reg. 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), require the companies to have enhanced transparency and laying down due process for approval of the Related Party Transactions. Accordingly, as required under Reg. 23 of LODR Regulations, the Company is required to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

2. Definitions:

“Audit Committee” means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the LODR Regulations and the Companies Act, 2013.

“Board” means the Board of Directors of the Company.

“Company” means Omax Autos Limited.

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

“Policy” means this Policy, as amended from time to time.

“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

“Related Party Transaction” means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

(1) All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may, in some extraordinary and urgent cases, grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria 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;
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered

into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction 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 crore per transaction.

- d) Audit Committee shall review, atleast on a quarterly basis, the details of such Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given; and
 - e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
 - f) *'Arm's length transaction' has been defined to mean a transaction between the related parties that is conducted as if they were unrelated so that there is no conflict of interest.*
- (2) The approval of the Audit Committee can be granted by way of a circular resolution.
 - (3) The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or LODR Regulations and/or transactions referred to it by the Audit Committee.
 - (4) Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.
 - (5) All Material Related Party Transactions shall require approval of the shareholders through special resolution (except transactions exempted for such approval under LODR Regulations) and the related parties shall abstain from voting on such resolutions.
 - (6) *Company shall not give any loan/advance/guarantee directly or indirectly to any director, his relatives and anybody corporate in which he or his relatives are interested. Company shall not directly or indirectly give loan or give any guarantee or security in connection with loan to any person or body corporate exceeding prescribed limits. However, such restrictions would not apply to transactions with wholly owned subsidiaries.*
 - (7) *Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, 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.*

3. Disclosures:

- (1) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
 - (2) This Policy shall be disclosed on the website of the Company and a web-link thereto shall be provided in the Annual Report
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