

# APEX CAPITAL AND FINANCE LIMITED

CIN-L65910DL1985PLC021241

Regd. Office: L-3, Green Park Extension, New Delhi - 110016

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## **POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTIONS PURSUANT TO REGULATION 23 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

### **1. TITLE:**

This policy shall be called 'RPT Policy on materiality and dealing with related party transactions'.

### **2. COMMENCENMENT:**

This RPT Policy, which was approved by the Board of Directors of the Company on 1<sup>st</sup> September 2017 and became effective from 01.09.2017. Further the said RPT has been reviewed/approved by the Audit Committee in their meeting held on 14.08.2024.

### **3. OBJECTIVE:**

Related party transactions have been one of the major areas of focus for the corporate governance reforms being initiated by Indian Legislature. The changes introduced in the Corporate Governance norms through the Companies Act, 2013 and the revamped clause 49 of the Listing Agreement / Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 require the companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act 2013 and Clause 49 of the Listing Agreement / Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions.

### **4. DEFINITIONS:**

**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.

**Audit Committee:** means the Audit Committee of the Board of Directors of Apex Capital and Finance Limited (Formerly Apex Home Finance Limited)

**Board:** means the Board of Directors of Apex Capital and Finance Limited (Formerly Apex Home Finance Limited)

**Material related party transaction:** means a related party transaction which individually or taken together with previous transactions with a related party during a financial year, exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

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**Ordinary Course of Business with reference to a transaction with a related party:** means a transaction which is:

- Carried out in the normal course of business envisaged in accordance with the Memorandum of Association ("MOA") of the Company as amended from time to time;
- Historical practice with a pattern of frequency;
- Common commercial practice; or
- Meets any other parameters/criteria as decided by the Board/Audit Committee from time to time.

**Policy:** means the policy on materiality and dealing with related party transactions, 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 and clause 49 of the listing agreement / Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Related party transaction: means a transaction which is:

(a) a transfer of resources, services or obligations between the Company 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 transaction in a contract;

(b) a contract or arrangement with a related party with respect to

- i. sale, purchase 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 purchase 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;

(c) defined as a "related party transaction" under the relevant provisions of the Companies Act, 2013 or the Listing Agreement or any other related law, regulation, standard, etc.

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## **5. APPLICABILITY**

This policy shall be applicable to all the related party transactions entered into by the Company except the following:

- (a) Loans/advances given to a related party.
- (b) Guarantee given or security provided in connection with a loan to a related party.
- (c) investment(s) made in a related party.
- (d) Transfer/assignment of obligation under an existing contract/arrangement with a related party to some other person or related party.
- (e) Amendment of an existing contract/arrangement with a related party.
- (f) Cancellation of an existing contract/arrangement with a related party.
- (g) Transfer of resources assigned to one related party contract/arrangement to another related party contract/arrangement.

Provided that in case of (d), (e), (f) and (g) above, the transfer, amendment, cancellation, etc., does not result in to writing off of any amount paid by the Company or enhancement of amount payable by the Company under the said contract/arrangement or reduction in the amount payable to the Company under the said contract/arrangement or waiver of any right with adverse financial implications for the Company.

## **6. APPROVAL OF RELATED PARTY TRANSACTIONS**

- (a) All Related Party Transactions shall require prior approval of the Audit Committee. The approval of the Audit Committee can be granted by way of a circular resolution. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the provisions of Clause 49 of Listing Agreement / Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (b) All Material Related Party Transactions shall require prior approval of the shareholders, if required under the Companies Act, 2013 and/or SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, amended from time to time.
- (c) In case of Related Party Transactions which is not in the ordinary course of business or which is in the ordinary course of business but is not arm's length transaction, whether or not it is a Material Related Party Transactions, prior approval of the Audit Committee shall be necessary.
- (d) Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

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(e) The Related Parties shall abstain from voting as shareholders in case of Related Party Transactions which require the approval of shareholders.

(f) Transactions with related parties exceeding such sums, as prescribed under Section 188 of the Companies Act, 2013 read with relevant rules prescribed thereunder shall require prior approval of the shareholders

## 7. PROCESS FOR DEALING WITH RELATED PARTY TRANSACTIONS

(a) A list of all the Related Parties in relation to the Company received from the Directors shall be updated from time-to-time.

(b) Basis the above mentioned list of related parties, every department shall, prior to entering in to any contract or arrangement with a related party, ascertain whether the proposed contract or arrangement satisfies the approval mechanism prescribed under this Policy.

(c) The contract/arrangement shall not be entered in to without the necessary approval from the Audit Committee/Board/Shareholders, as the case may be. Compliance to this condition will strictly be adhered to by the concerned department proposing the underlying contract or arrangement.

## 8. AMENDMENTS

The Board of directors shall have the power to amend any of the provisions of this policy, substitute any of the provisions with a new provision or replace this policy entirely with a new policy.

## 9. INTERPRETATION

(a) Any words used in this policy but not defined herein shall have the same meaning as prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, listing agreement, Accounting Standards or any other relevant legislation/law applicable to the Company.

(b) The reference to the Masculine gender in the policy shall be deemed to include a reference to Feminine gender and Neuter gender.

(c) In case of any dispute or difference upon the meaning/interpretation of any word or provision in this policy, the same shall be referred to the Audit Committee and the decision of the audit committee in such a case shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

\*\*\*\*\*END\*\*\*\*\*