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ORIENTAL TRIMEX LIMITED

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RELATED PARTY TRANSACTION POLICY

(Updated upto 5th August, 2022)

1. Preamble

The Board of Directors (the "Board") of Oriental Trimex Limited (the "Company") has adopted this policy on Related Party Transaction Policy ("this Policy"), which defines and lays down the procedure for Related Party Transactions, according to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulation 2015").

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company.

2. Purpose

This Policy has been framed to provide the governance framework for Related Party Transactions to be entered into by the Company with the Related Parties in terms of the provisions of the Companies Act, 2013 ("Act") and the Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and to set out the thresholds for related party transactions.

3. Definitions

All the definition mentioned in this policy shall be pursuant to the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 including all the amendments and modification thereof from time to time.

- **Audit Committee or Committee** means the committee of the Board of the Company constituted in accordance with provisions of the SEBI (LODR) Regulation 2015 and the Companies Act, 2013.
- **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.
- **Associate Company** Regulation 2(1)(b) of SEBI (LODR) Regulation 2015 defines an 'associate company' to mean any entity which is an associate under the Companies Act, 2013 or under the applicable accounting standards.
- **Board of Directors** means Board of Directors of the Company.
- **Control** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- **Holding Company (Section - 2(46) of the Companies Act, 2013)** in relation to one

or other Companies, means a Company of which such Companies are Subsidiary Companies.

- **Key Managerial Personnel** means key managerial personnel as defined under the Companies Act, 2013 and the Rules made there under and includes:
 - a. Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
 - b. Company Secretary; and
 - c. Chief Financial Officer
- **Policy** means this Related Party Transaction Policy.
- **Related Party Transaction** means transactions as defined under section 188 of the Companies Act, 2013.
- **Subsidiary Company** shall have the meaning assigned to it under Section –2(87) of the Companies Act, 2013

4. Related Party Transactions requiring prior approval of the Shareholders of the Company (Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014):

Contracts or arrangements with respect to the transaction /s with Related Party as defined under Section 188 (1) (a) to (e) of the Companies Act, 2013 shall require prior approval of the Company if they are as per criteria mentioned below:

- i. sale, purchase or supply of any goods or material directly or through appointment of agent, amounting to ten percent or more of the Turnover of the Company as mentioned in clause a) and clause e) respectively of sub-section (1) of Section 188;
- ii. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent amounting to ten percent or more of Net Worth of the Company as mentioned in clause b) and clause e) respectively of sub-section (1) of Section 188;
- iii. leasing of property of any kind amounting to ten percent or more of the turnover of the Company as mentioned in clause c) of sub-section (1) of Section 188;
- iv. availing or rendering of any services directly or through appointment of agent, amounting to ten percent or more of the Turnover of the Company as mentioned in clause d) and clause e) respectively of Section 188;
- v. appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company at a monthly remuneration exceeding Rupees Two and half lakhs as mentioned in clause f) of sub-section (1) of Section 188; or
- vi. remuneration for underwriting subscription of any securities or derivatives thereof of the company exceeding one percent of the Net Worth as mentioned in clause g) of sub-section (1) of Section 188;

5. Procedure for approval of Related Party Transactions (RPT)

- a) All Related Party Transactions or any subsequent Material Modifications of such transactions shall require prior approval of the Audit Committee and members of the Audit Committee, who are independent directors, shall only approve RPTs transactions with Related Parties.

A RPT to which the subsidiary of a Company is a party but the Company is not a party, the

prior approval of the Audit Committee of the Company is required, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company.

With effect from April 1, 2023, an RPT to which the subsidiary of a Company is a party but the Company is not a party, the prior approval of the Audit Committee of the Company is required, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary company.

Prior approval of the Audit Committee shall not be required for:

- i. RPTs, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR Regulations are applicable to such listed subsidiary.
- ii. RPTs of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the Audit Committee of the listed subsidiary is obtained.
- iii. RPT or subsequent material modifications of RPT (other than those RPT stipulated under Section 188 of the Act) entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iv. RPT entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company for a period not exceeding one year subject to the following conditions:

- 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.
- The Audit Committee shall satisfy itself with the need for such omnibus approval keeping in view the interest of the Company;
- The Audit Committee shall specify in the omnibus approval (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, (iii) such other conditions as the Audit Committee may deem fit.
- In case the need for Related Party Transaction cannot be foreseen and the details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crores per transaction.

The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- b) All Related Party Transactions which are in Ordinary Course of Business and approved by the

Audit Committee shall be placed before the Board to take note of the same.

- c) All Related Party Transactions which are either not (a) in the ordinary course of business or (b) on arm length's basis shall require prior approval of the Board.
- d) All Material Related Party Transactions which are exceeding the prescribed limits shall not be entered into except with the prior approval of the Board and the Shareholders of the Company by way of Resolution as provided in Section 188 of the Act and Regulation 23 (4) of LODR.
- e) **Materiality Thresholds:** Regulation 23(1) requires a company to specify threshold limit for Material Related Party Transactions as per which a transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds Rs 1000 Crores or ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower. The Board will review the policy once every three years and update it, accordingly.

6. Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board by the Board in this respect shall be final and binding. Further the said policy shall be reviewed by the by the board of directors at least once every three years and updated accordingly.