

## **RELATED PARTY TRANSACTION POLICY**

### **1. Introduction**

The Board of Directors (the Board) of Omnitex Industries (India) Limited (the Company) have adopted the following policy and procedures with regard to Related Party Transaction (RTP) in the line with the requirement of Section 177 (iv) and 188 of the Companies Act, 2013 read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (SEBI Listing Regulation).

The Board as per the recommendation of audit Committee may review and may amend this policy from time to time.

### **2. Purpose**

The objective of this policy is to ensure proper approval, disclosure and reporting of the Transactions as applicable, between the Company and any of its related parties in the interest of the Company and its stakeholders.

### **3. Definitions**

- i. **Audit Committee** has been defined in the Companies Act, 2013.
- ii. **Board of Directors or Board** in relation to a Company means the collective body of the directors of the Company.
- iii. **Key Managerial Personnel** in relation to a Company means
  - The Chief Executive Officer, or the Managing Director or the Manager
  - The Whole Time Director
  - The Chief Financial Officer
  - The Company Secretary
- iv. **Material Related Party Transaction**- A transaction with related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 % of the annual turnover of the Company as per last audited financial statements of the Company.
- v. **Related Party** with reference to a Company means
  - a director or his relatives
  - a key managerial personnel or his relatives
  - a firm, in which a director, manager or his relative is a partner
  - a private company in which a director or manager or his relative is a member or director
  - a public company in which a director or manager is a director and holds along with his relatives, more than 2 % of its paid up share capital of the Company.

- any Body Corporate whose Board of Directors, managing Director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager.
- Any person on whose advice, directions or instructions a director or manager is accustomed to act;
- Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, direction or instructions given in a professional capacity
- Any company 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
- Director, other than independent director or key managerial personnel of the holding company or his relative with reference to a Company
- An entity that is related party under the applicable accounting standard

vi. Related Party Transaction is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged.

vii. Relatives with reference to any person means anyone who is related to another if

- They are members of a Hindu Undivided Family
- They are husband and wife (or)
- One person is related to the other in the following manner
  1. Father (including step-father)
  2. Mother (including step-mother)
  3. Son (including step- Son)
  4. Son's Wife
  5. Daughter
  6. Daughter's husband
  7. Brother (including step-brother)
  8. Sister (including step- sister)

A Transaction with related party shall be construed to include single transaction or a group of transaction in a contract.

#### **4. Policy on Related Party Transaction**

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this Policy.

## **5. Identification of potential Related Party transactions**

Each Directors and Key Managerial Personnel shall disclose to the officer his / her related parties. The Board shall record the disclosure of such Interest immediately on receipt of the same. The Company shall also identify related party transactions with directors or key Managerial Personnel of the holding company or their relatives.

## **Review and approval of Related Party transactions**

### **Audit Committee**

Every Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation. However, the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into with the Company which are repetitive in nature and are in ordinary course of business and on Arm's length basis, subject to compliance of the conditions contained in the Companies Act, 2013 as well as Listing Regulation. Any member of the committee who has a potential interest in any related party transaction shall abstain from discussion and voting on the approval of the related party transaction. To review a related party transaction, the committee shall be provided with the necessary information to the extent relevant, with respect to actual or potential related party transaction and / or prescribed under the Companies Act, 2013 and rules thereunder.

Transaction entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholder at the general meeting for approval shall not require prior approval of the audit committee.

### **Shareholder**

All the material Related Party Transactions shall require approval of the shareholders through Ordinary resolution and the Related Party/ies with whom transaction is to be entered shall abstain from voting on such resolution.

All the transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through Ordinary resolution and the Related Parties shall abstain from voting on such resolution.

### **Disclosure**

Details of all transactions with Related Parties shall be disclosed to Audit Committee and Board on quarterly basis.

### **Amendments In Law**

Any subsequent amendment / modification in the Companies Act, 2013 and listing Regulations and / or other applicable laws in this regard shall automatically apply to this Policy.