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EMKAY GLOBAL FINANCIAL SERVICES LIMITED

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions

VERSION HISTORY

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EMKAY GLOBAL FINANCIAL SERVICES LIMITED

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1) Preamble

Emkay Global Financial Services Limited ("EGFSL" or the "Company") is a public company whose equity shares are listed on BSE Limited and National Stock Exchange of India Limited and subject to the rules and regulations issued by the Securities and Exchange Board of India (SEBI). The Company and its Group/Associate and subsidiary companies, and their employees/Directors/Officers are required to follow conditions of various applicable Securities and Exchange Board of India (SEBI) regulations.

The Board of Directors of the Company had adopted the Policy on "Materiality of Related Party Transactions and dealing with Related Party Transactions" with effect from 1st October, 2014 in line with Section 177(4)(iv) and Section 188 of the Companies Act, 2013 read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), as amended from time to time.

This Policy is revised to bring in line with various amendments made to Regulation 23 of SEBI Listing Regulations dealing with Related Party transactions read with Introduction of RPT Industry Standards and SEBI Circular dated 13th October, 2025, and other applicable provisions, circulars as amended from time to time.

2) Title

This Policy shall be called **"Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions".**

3) Objective

The objective of this Policy is to:

a) regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard; and

b) ensure proper approval and reporting of transactions between the Company and its Related Parties.

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 constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

"**Board**" means the Board of Directors of Emkay Global Financial Services Limited.

"**Company**" means Emkay Global Financial Services Limited.

"**Material Related Party Transaction**" means

a transaction with a Related Party where thetransaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds the following:

Consolidated Turnover of Company	**Threshold**
(i) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company.
(ii) More than Rs. 20,000 Crore to up to Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of Company above Rs. 20,000/- Crore.
(iii) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 crore or Rs. 5,000 Crore, whichever is lower.

Notwithstanding above, a transaction(s) 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, 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.

In case of any amendment to the Act or Listing Regulations, definition of Material transactions will be deemed to be changed without any further approval of Audit Committee or Board.

"Material Modification" means any change in the approved terms which has a financial implication of 20% or more of the contract.

"Ordinary Course of Business" means the usual transactions, customs and practices undertaken by the Company in the conduct of its business operations and activities, consistent with past practice and industry norms, and includes all such activities which the Company is authorized to undertake under its Memorandum of Association and Articles of Association of the Company.

"**Related Party**" in relation to the Company means a party related with the Company in anyof the ways as are laid down in section 2(76) of the Companies Act, 2013 and/or under Regulation 2 (1)(zb) of the SEBI Listing Regulations as amended from time to time.

In accordance with the above, in line with the extant regulations "Related party" with reference to the Company means:

i. a director or his relative;
ii. a key managerial personnel (KMP) 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 of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
vii. 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, directions or instructions given in a professional capacity;
viii. any body corporate which is (A) a holding, subsidiary or an associate company

of such company (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
Explanation:- For the purpose of this clause, "the investing company or the venturer of the company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

ix. a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company;

x. Any related party as defined under the applicable accounting standards (a) Any person or entity belonging to the promoter or promoter group of the Company; or (b) Any person or entity, holding equity shares: (i) of twenty percent or more with effect from April 1, 2022; or (ii) of ten percent or more, with effect from April 1, 2023; in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time during the immediate preceding financial year.

"**Related Party Transaction**" in relation to the Company means a transaction with a Related Party under the relevant provisions of the Companies Act, 2013 or the SEBI Listing Regulations or any other related law, regulation, standard etc.

"RPT Industry Standards" refers to Industry Standards on "Minimum Information to be provided for review of the audit committee and shareholders for approval of related party transactions" formulated by Industry Standard Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, in consultation with SEBI, as amended from time to time.

"Turnover" has been defined as the aggregate value of the realization of amount made from sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year. Accordingly, the "turnover" is considered as "Total Revenue i.e. Revenue from Operations and Other Income".

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any other applicable laws or regulations.

5) Identification of potential Related Party Transactions:

a. Every Director and Key Managerial Personnel of the Company shall at the beginning of the financial year provide the information on related parties as defined under the Companies Act, 2013 and the SEBI Listing Regulations, 2015 on an annual basis and confirmation on a quarterly basis or whenever there are any changes.

b. Every Director and Key Managerial Personnel shall promptly inform the Board or the Audit Committee, well in advance, upon becoming aware of any potential related party transaction or any transaction whose purpose or effect is to confer a benefit on a related party of the Company or any of its subsidiaries. Such Director or Key Managerial Personnel shall also be responsible for providing any additional information or clarifications relating to the transaction as may be required by the Board or the Audit Committee for due consideration.

Besides the above, the Company will also identify other Related Parties as required under the Companies Act, 2013 and the Listing Regulations.

6) Approval of Related Party Transactions:

i. Approval of Audit Committee:

a. All the transactions which are identified as Related Party Transactions and subsequent Material Modifications thereto shall require prior approval of the Audit Committee, whether at a meeting or by Resolution by circulation, or any other manner as prescribed under the Act and Listing Regulations.

b. Related Party Transactions to which subsidiary Company(ies) of the Company are party (ies) but the Company is not a party, shall require prior approval of the Audit Committee of the Company as per Regulation 23 of the SEBI Listing Regulations if it crosses the threshold(s), as specified under the Regulations, and/or not exempted under the Regulations. Any material modification, as defined in this Policy, to such transactions shall also require prior approval of the Audit Committee of the Company.

Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

c. Prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which the Listed Subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the SEBI Listing Regulations are applicable to such Listed Subsidiary.

d. For Related Party Transactions of unlisted subsidiaries of a Listed Subsidiary of the Company as referred above, the prior approval of the Audit Committee of the Listed Subsidiary shall suffice. Further, with effect from 1st April, 2023, a Related Party Transaction covers a transaction between the Company or any of its subsidiary(ies) on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiary(ies).

e. In case of transaction, other than transactions referred to in Section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

f. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during the discussion.

g. The Company shall provide such information to the Audit Committee for seeking approval for Related Party Transactions, as prescribed under the Act, SEBI Listing Regulations read with Industry Standards on RPT.

h. For the purpose of Regulation 23 of the SEBI Listing Regulations, prior approval of the Audit Committee shall not be applicable to transactions exempted under SEBI Listing Regulations, as amended from time to time.

ii. Omnibus approval of Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company or its subsidiary(ies), subject to the following conditions:

a. The Audit Committee shall, subject to the approval of the Board of Directors, lay down the criteria for granting the omnibus approval in line with the policy on related party transactions 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. The 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.

However, in case of RPTs which cannot be foreseen and where the above details are not available, the Audit Committee may grant omnibus approval provided the value of RPT does not exceed rupees one crore per transaction or as may be revised pursuant to amendment made to SEBI Regulations from time to time.

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

Such omnibus approval shall be valid for a period of one financial year and shall require fresh approvals after the expiry of one financial year.

Notwithstanding above, omnibus approval shall not be made for selling or disposal of the undertaking.

These provisions shall not apply to a transaction, other than a transaction referred to in section 188, between a holding Company and its wholly owned subsidiary Company.

iii. Ratification of Related Party Transactions

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;

- the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;

- rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

- the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;

- the Company shall provide information to the Audit Committee for ratification in accordance with Industry Standards on RPT.

- any other condition as specified by the audit committee.

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

iv. Approval of Board of Directors

The Board would approve such Related Party Transactions as are required to be approved under the Act and/ or SEBI Listing Regulations and/ or transactions referred to it by the Audit Committee.

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.

v. Shareholders' approval requirements

a. All Related Party Transactions pursuant to section 188 of the Act which are not in the ordinary course of business and / or not an Arms' length basis require prior approval of the Board at a meeting.

   If such transactions crosses the threshold limits prescribed under the Act, such transactions will require the approval of shareholders of the Company by a resolution.

b. All material related party transactions as per Regulation 23 of the SEBI Listing Regulations and subsequent material modifications to such transactions, as defined by the Audit Committee and stated in this Policy, whether in the ordinary course of business or at arm's length or not and exceeding the threshold prescribed under SEBI Listing Regulations shall require approval of the Board of Directors and 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.

c. `Prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which the Listed Subsidiary is a party but the Company is not a party, if Regulations 15(2) and 23 of the Listing Regulations are applicable to such Listed Subsidiary.

   Explanation: For Related Party Transactions of unlisted subsidiaries of a Listed Subsidiary of the Company as referred above, the prior approval of the shareholders of the Listed Subsidiary shall suffice.

   Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting.

   In case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

   In case the shareholders decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or modification of the transaction to make it acceptable to shareholders for approval.

   The requirement for seeking Shareholders' approval shall not be applicable to transactions exempted under the under the Act and the Rules made thereunder and the Listing Regulations, as amended from time to time.

7) Transactions exempted from prior approval of the Audit Committee and Shareholders

As provided in the SEBI Listing Regulations, the transactions entered into between:

a. the holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;

b. two wholly-owned subsidiaries of the company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;

c. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

shall not be required to follow the provisions related to prior approval of Audit Committee of the Company or prior approval of shareholders of the Company, as the case may be.

8) Disclosures and Reporting's

a. The Company shall submit to the stock exchanges periodical disclosures of related party transactions in the format as specified by SEBI from time to time, and publish the same on its website.

b. Various department heads or any person authorized to enter into any transaction on behalf of the Company shall not undertake any transaction with Related Party unless they confirm that the transaction has prior approval of the Audit Committee and that the transaction is both in the ordinary course of business and on an Arm's length basis. Any transaction not meeting the required criteria mentioned above should be brought to the notice of the Secretarial Department, Accounts Department and the CFO for seeking the requisite approvals.

c. The Board's Report shall contain details of contracts or arrangements or transactions under the Act and the Rules made thereunder and the Listing Regulations, including any amendment or modification thereof, may specify from time to time.

9) Information to be provided to shareholders for consideration of Related Party Transactions

The information to be placed before the Audit Committee / Board / Shareholders in connection with a Related Party Transaction shall be as specified under the Companies Act, 2013, Listing Regulations read with RPT Industry Standards as may be notified from time to time and other laws as applicable and amended from time to time.

10) **Amendments**

The Board 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.

11) **Scope Limitation**

In the event of any conflict between the provisions of this Policy and the Listing Regulations /the Act and rules thereunder, or any other statutory enactments, Industry Standards on RPT, other SEBI Circulars, the Listing Regulations /the Act and rules thereunder, or any other statutory enactments, Industry Standards on RPT , other SEBI Circulars, as amended from time to time shall prevail over this Policy. Further, in case of any conflict in provisions pertaining to related party transactions under the Act or the Listing Regulations, the stricter provisions will apply.

Further amendments in law, if any, as applicable to the Company will be complied, whether or not the same have been specifically incorporated in this Policy.

12) **Interpretation**

Any words used in this policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations, Accounting Standards or any other relevant legislation / laws applicable to the Company.