

**Policy On Materiality of Related Party Transactions and Dealing With  
Related Party Transactions**

**EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

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**CIN-L67120MH1995PLC084899**

**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.

On account of the changes introduced in the Corporate Governance norms through the Companies Act, 2013 and the provisions of the listing agreement for the companies to have enhanced transparency and due process for approval of the Related Party Transactions, 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 1<sup>st</sup> October, 2014 with necessary changes as per amended provision from time to time.

SEBI had amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 on 9<sup>th</sup> November, 2021 and subsequently vide SEBI Master Circular dated November 11, 2024 & SEBI (Listing Obligation and Disclosure Requirement) (Third Amendment), 2024 dated 12 December, 2024

This Policy is revised to bring in line with various amendments made to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with Related Party transactions and provisions as amended.

**2. TITLE-**

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

**3. EFFECTIVE DATE**—The revised Policy shall come into effect from 31st December 2024.

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#### **4. OBJECTIVE**

The objective of this Policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Parties.

This policy is framed as per requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Companies Act, 2013 (Act) and amendments issued in the regulatory framework from time to time.

#### **5. DEFINITIONS-**

All the terms used and defined herein are in addition to those defined in the Act, Listing Regulations or any other applicable law or regulations :

- Applicability to subsidiary / Associate companies wherever applicable.

**“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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**“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 the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds the threshold limits as defined under the Companies Act, 2013 or Listing Regulations as amended from time to time. As per existing provision of Listing Regulations, “A transaction with related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.”

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 amendment or waiver of, or modification incidental or supplementary to, a transaction executed or effected.

**“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

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of the ways as are laid down in section 2(76) of the Companies Act, 2013 and/or under Regulation 2 (1)(zb) of the Listing Regulations as amended from time to time.

**“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 Listing Regulations or any other related law, regulation, standard etc. in relation to the Company means a transaction with a Related Party under the relevant provisions of the Companies Act, 2013 and/or as defined under Regulation 2(1)(zc) of the Listing Regulations or any other related law, regulation, standard etc.

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

Every Related Party Transaction and subsequent material modifications entered into with effect from 1st April, 2022 shall be subject to prior approval of the Audit Committee of the Company.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

The approval of the Audit Committee can be granted by way of a circular resolution.

All Related Party Transactions to which the subsidiaries of the Company is a party but the Company is not a party, shall require prior approval of the Audit committee of the company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company or as may be amended under Listing regulations from time to time.

Further, with effect from 1<sup>st</sup> April, 2023, every Related Party Transaction to which the subsidiaries of the Company is a party but the Company is not a party, shall require prior approval of the Audit committee of the company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover, as per the latest financial statements of the said subsidiary company or as may be amended under Listing regulations from time to time.

The Audit Committee/Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or Listing Regulations and/or transactions referred to it by the Audit Committee.

Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

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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:

- i 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;
- i the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- i rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- i 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;
- i 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.

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.

The Company or its subsidiary can obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with 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.

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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.

Further, all Material Related Party Transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders of the Company through a resolution and no related party shall vote to approve such resolution(s) whether the company is a related party to the particular transaction or not.

However no such approval will be required in the following cases:

- a. Transactions entered into between the company and any of its wholly owned subsidiaries whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.
- b. Transactions 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.
- c. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

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

Provided that the company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.

Provided further that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

All Related Party Transactions (other than Material Related Party Transactions) pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or not an Arms length transaction and cross the threshold limits prescribed under Companies Act, 2013 shall also require the approval of shareholders of the Company by a resolution and the Related Parties shall abstain from voting on such resolution(s).

The approval mechanism for Related Party Transactions shall be as stipulated in the provisions of Listing Regulations and Companies Act, 2013 and rules made thereunder and as amended from time to time.

## **7. 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.

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In the event, any provision contained in this policy is inconsistent with the provisions contained in the Listing Regulations, the Companies Act, 2013 or Accounting Standards etc or any amendments thereto (Regulations, Acts), the provisions in the Regulatory Acts will prevail.

#### **8. 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.

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