

Aurum PropTech Limited

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

(effective April 1, 2019)

I. OBJECTIVE

Provisions of the Companies Act, 2013 & Rules made thereunder; and Regulation 23 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") require to formulate a policy on materiality of Related Party Transactions.

This Policy on materiality of Related Party Transactions, has been framed in context of above statutory requirement and has been modified in line with subsequent amendments made to aforesaid statutory requirements from time to time.

II. DEFINITION

"Related Party" with reference to the Company, means:

- i. A related party as defined under Section 2(76) of the Companies Act, 2013 or as defined under the applicable accounting standards.
- ii. Any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company.

"Related Party Transaction" means a transaction between the Company and Related Party which transaction is of the nature specified in sub-clauses (a) to (g) of Section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under Regulation 2(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. MATERIALITY THRESHOLD & APPROVAL OF RELATED PARTY TRANSACTIONS

All Material Related Party Transactions (other than those with Wholly Owned Subsidiaries, if any, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval) shall be placed for approval of shareholders of the Company.

Materiality Threshold

Following transactions with the Related Party(ies) shall be treated as "Material":

- i. any transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year which exceeds 10% of the annual consolidated turnover of the Company as per the last audited consolidated financial statements of the Company.
- ii. any transaction involving payment to a related party with respect to brand usage or royalty entered into individually or taken together with previous transactions during a financial year which exceeds 2% of the annual consolidated turnover of the Company as per the last audited consolidated financial statements of the Company.

In addition to the above, all types of transactions specified under Section 188 of the Companies Act, 2013 which (a) are not at arms' length or not in the ordinary course of business; and (b) exceed the thresholds laid down in the Companies (Meeting of Board and its Powers) Rules, 2014, as amended from time to time, shall also be placed before the shareholders for approval.

IV. OMNIBUS APPROVAL OF AUDIT COMMITTEE

a) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, subject to the following conditions:

i. Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;

ii. Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;

iii. Such omnibus approval shall specify name of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, the indicative base price/current contracted price and the formula for variation in the price, if any, and such other conditions as the Audit Committee may deem fit; Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to value not exceeding Rupees one crore per transaction.

iv. Details of Related Party Transactions entered into by the Company with Related Parties pursuant to omnibus approval given shall be reviewed on quarterly basis.

v. All omnibus approvals granted shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

V. REVIEW OF THE POLICY

The Board reserves the right to amend or modify the Policy in whole or in part, at any time. However, no such amendment shall be inconsistent with applicable provisions of the Regulations, Act or any other law for the time being in force.

This Policy shall be reviewed by the Board of Directors at least once in every three years and updated accordingly.