



SUBEX LIMITED

RELATED PARTY TRANSACTION POLICY

1. INTRODUCTION

The Board of Directors (“The Board”) of Subex Limited (“The Company”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), every listed company shall formulate a policy on materiality of related party transactions and dealing with related party transactions, including clear threshold limits duly approved by the Board of Directors and such policy shall be reviewed by the Board of Directors at least once every 3 (three) years and updated accordingly.

In light of the above, Subex Limited has framed this Policy on Related Party Transactions (“Policy”) which also includes the section on determining materiality threshold for related party transactions. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. DEFINITIONS:

In this policy, unless the context otherwise requires;

- A. “Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and the Companies Act, 2013. **“Board”** means Board of Directors of the Company.
- B. “Control”** includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

C. “Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act 2013 and includes:

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director
- ii. Company Secretary and
- iii. Chief Financial Officer.

D. “Material Related Party Transaction” means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 Crore (Rupees One Thousand Crore) or 10 (ten) per cent of the annual consolidated turnover of the Company as per the last Audited Financial Statements of the Company, whichever is lower.

Notwithstanding the above, a transaction 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 into individually or taken together with previous transactions during a financial year, exceed 5% (five per cent) of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.

E. “Policy” means Related Party Transaction Policy as originally framed or as altered from time to time”.

F. “Related Party” means related party as defined in the Listing Regulations;

G. “Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries 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 listed entity or any of its subsidiaries ;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

H. “Relative” means relative as defined under the Companies Act 2013 and includes any one who is related to another if-

- i) They are members of Hindu Undivided Family
- ii) They are husband and wife; or
- iii) Father (including step father)
- iv) Mother (including step mother)
- v) Son (including step son)
- vi) Son’s wife
- vii) Daughter
- viii) Daughter’s husband
- ix) Brother (including step brother)
- x) Sister (including step-sister)

3. POLICY

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company.

3.1 Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.

3.1.1 Internal Mechanism for identification of RPT's

Before entering into any transaction, the Procurement Department and the Legal Department shall based on the checklist provided by the Secretarial Department identify the related parties. The Secretarial Department shall then place the same before the Audit Committee for its approval wherever necessary.

3.2 Review and Approval of Related Party Transactions

All related party transactions and subsequent material modifications shall 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.

The term 'Material Modifications' shall mean any change in the value of the Related Party Transactions to be executed by the Company, by 25% or more of the value, which has already been approved by the Audit Committee.

Provided further that:

a. A related party transaction to which the subsidiary 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 10% (ten per cent) of the annual standalone turnover, as per the last Audited Financial Statements of the subsidiary.

b. 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 Regulation 15(2) of Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (b) above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

c. remuneration and sitting fees paid by the Company 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;

d. The members of the audit committee, who are independent directors, may ratify related party transactions within 3 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 Rs. 1 crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this

regulation;

- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) 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;
- (v) any other condition as specified by the audit committee:

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 Company against any loss incurred by it.

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

- a. The Audit Committee shall 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/ its subsidiary;
- c. Such 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; 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 their value not exceeding Rs. 1 crore (Rupees One Crore) per transaction.
- d. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company or its subsidiary pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year

Approval of Audit Committee shall not be applicable in the following cases:

- a. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company;
- b. transactions entered into between 2 (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.

Further, all Material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders through resolution and no Related Parties shall vote to

approve such resolution whether the entity is a related party to the particular transaction or not.

Provided that 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 Regulation 23 and Regulation 15(2) of Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Name of the related party and the relationship
- Nature, duration of transaction and particulars of the transaction
- material terms including the value, if any
- any advance paid or received for the contract or arrangement, if any
- The manner of determining the pricing and other commercial terms and whether the terms of the RPT are fair and on arm's length basis to the Company
- Business rationale for such transactions
- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an Independent Director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

3.3 Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts



and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

4. APPROVAL OF THE BOARD OF DIRECTORS AND SHAREHOLDERS

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to —

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions exceeding such sums, as may be prescribed in Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2015, shall be entered into except with the prior approval of the shareholders by a resolution.

Provided also that nothing mentioned herein above shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

5. DISCLOSURES

Necessary disclosures shall be made by the Company in its Annual Report and to the concerned Stock Exchanges where Equity shares of the Company are listed, as may be required under applicable laws.

Details of all Material RPTs shall be disclosed to the Stock Exchanges on a quarterly basis along with the compliance report on corporate governance.



The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Securities and Exchange Board of India (SEBI) from time to time and publish the same on its website.

The Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.

The remuneration and sitting fees paid by the Company 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 provided that the same is not material related party transaction.

6. OVERRIDING OF THE POLICY

The provisions of the Companies Act, 2013 and Rules made thereunder along with the Listing Regulations will override the provisions of this Policy to the extent they are inconsistent with the provisions of the Act and the Listing Regulations. Notwithstanding anything contained in this policy, any amendments made to the applicable laws, shall automatically deemed incorporated in this policy to the extent applicable.

<i>Prepared by</i>	<i>Secretarial Dept.</i>
<i>Approved by</i>	<i>Board of Directors</i>
<i>Last amended on</i>	<i>February 12, 2025</i>