

**Policy for dealing with Related Party Transactions**

Version: 6.0

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### Document Change History

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## POLICY FOR DEALING WITH RELATED PARTY TRANSACTIONS

### 1. Introduction

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of OnMobile Global Limited ('the Company') has adopted the following policy and procedures with regard to related party transactions as defined below.

This policy is to regulate transactions between the Company and/or its subsidiary(ies) and its Related Parties based on the laws and regulations applicable to the Company.

### 2. Objective

The objective of this Policy is to set out:

- a) the materiality thresholds for related party transactions & subsequent modifications thereof and
- b) the manner of approval of related party transactions pursuant to the provisions of the Act, SEBI (LODR) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.
- c) to provide guidance on various disclosure and reporting requirements for Related Party Transactions.

### 3. Guiding Act/Regulations/Rules:

- a) The Companies Act, 2013 and rules made there under read with the circulars and notifications issued thereunder (with amendments or enactments thereof) from time to time (hereinafter referred to as "Companies Act, 2013");
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circulars and notifications issued thereunder (with amendments or enactments thereof) from time to time (hereinafter referred to as "SEBI LODR" or the "Listing Regulations"); and
- c) Indian Accounting Standard – 24 (with amendments or enactments thereof).

The applicable provisions of the Companies Act, 2013, SEBI LODR, Indian Accounting Standards and the rules, notifications, amendments thereof are hereinafter collectively referred to as the "RPT Regulations".

### 4. Definitions

- a) "Act" means the Companies Act, 2013, including the Rules, Regulations, Schedules, notifications, circulars, clarifications and guidelines issued and amended by the Ministry of Corporate Affairs, from time to time.
- b) "Audit Committee or Committee" means Audit Committee constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013, from time to time.

- c) **“Board”** means the Board of Directors of the Company, as constituted from time to time.
- d) **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- e) **“Key Managerial Personnel”** means key managerial personnel (KMP) as defined under the Companies Act, 2013 as amended from time to time
- f) **“Material Modification”** means any modification with respect to the following:
  - Modification in the maximum limit of the amount approved with a related party for a financial year;
  - Modification in significant terms and conditions of the contract with a related party such as modifications in price, significant alteration to the credit period, changes in scope of deliverables under a contract;
  - Any other modification which as per the directions of the Audit Committee may be deemed material on case to case basis.
- g) **“Material Related Party Transaction”** means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10 percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
- h) **“Policy”** means related party transaction policy.
- i) **“Related Parties”** means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act, rules prescribed thereunder, Regulation 2(1)(zb) of SEBI LODR or the relevant Indian Accounting Standards as amended from time to time.

With effect from 1 April 2022, the following shall also be treated as Related Parties:

- a. all persons or entities forming part of promoter or promoter group irrespective of their shareholding; or
  - b. any person/ entity holding equity shares in the Company, either directly or on a beneficial interest basis at any time during the immediately preceding financial year to the extent of 20% or more (10% or more w.e.f. 1 April 2023).
- j) **“Related Party Transaction”** means a transaction between the company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Act, and/or a related party transaction as per Regulation 2(1)(zc) of SEBI Listing Regulations i.e, transaction involving transfer of resources, services or obligations between:
- a. the Company or its subsidiaries on the one hand and a related party of the Company or its subsidiary on the other hand
  - b. the company or any of its subsidiaries on the 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 subsidiaries (effective from 1 April 2023).

The above transaction shall be considered as a related party transaction regardless of whether a price has been charged.

Additionally, the following are excluded from the definition of related party transaction.

- a) Issue of specified securities on a preferential basis provided that the issue is in conformity with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018.
- b) the following corporate actions by the Company which are uniformly applicable to all the shareholders in proportion to their shareholding:
  - i) Payment of dividend
  - ii) sub-division or consolidation of securities
  - iii) issuance of securities by way of a rights issue or bonus issue.
  - iv) buy-back of securities
- k) **“Relative”** with reference to Related Party means the person as defined in Section 2(77) of the Act and rules prescribed thereunder.
- l) **“Subsidiary”** means a Company as defined under section 2(87) of the Act.
- m) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable regulations.

## 5. Procedures

Transactions between the Company and/or its subsidiary(ies) and its related parties shall be entered into in the manner that is compliant with the applicable provisions of the Act and Regulation 23 of SEBI LODR.

### 5.1 Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Company Secretary of any potential Related Party Transaction(s) involving him/her or his/her relative, including any additional information about the transaction(s) that the Board/Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

Such notice of any potential Related Party Transaction should be provided well in advance so that the Board/Audit Committee has adequate time to obtain and review information about the proposed transaction.

### 5.2 Approval of the Audit Committee

#### A. Prior Approval

Prior approval of Audit Committee must be obtained for all of the following

- a) All Related Party Transactions and subsequent material modifications
- b) A Related Party Transaction to which a subsidiary of the Company is a party, but the Company is not a party, if the value of such transaction whether entered into individually or taken together with the previous transactions during the financial year exceeds
  - i. 10% of the annual consolidated turnover in accordance with the last audited financial statement of the Company.
  - ii. 10% of the annual standalone turnover in accordance with the last audited financial statement of the subsidiary (effective from 1 April 2023).

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

However, prior approval of the Audit Committee of the Company shall not be required for related party transactions where a listed subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

## **B. Information to be reviewed by the Audit Committee for approval of RPTs**

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. The information provided shall specifically cover the following:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  - i. details of the source of funds in connection with the proposed transaction;
  - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
    - a. nature of indebtedness;
    - b. cost of funds; and

- c. tenure;
- iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

### **C. Omnibus Approval**

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company 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 of the company 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. 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 rupees one crore per transaction.

- d. Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

### **5.3 Approval of the Board**

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. 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.

## 5.4 Approval of the shareholders

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in Companies (Meetings of Board and its Powers) Rules, 2014 shall require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

All Material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders by a resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of Related Party Transactions.

## 5.5 Exemption

The sub- regulation 23 (3) and (4) of SEBI LODR (para 5.3 and 5.4 above) shall not be applicable in case the transactions entered into between a 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 and between two wholly owned subsidiaries consolidated together with the listed entity.

## 6. Disclosures

- The particulars of contracts or arrangement with related parties referred in Section 188(1) of the Act shall be disclosed in the Board's Report in Form AOC-2.
- Affirmation of compliance status about related party transactions shall be provided in quarterly compliance report on corporate governance to the stock exchanges.
- The Company shall submit disclosures of information related to Related Party Transactions to the stock exchanges every six months in the format specified by the SEBI with the following timelines:
  - i. within 15 days from the date of publication of financial statements;
  - ii. simultaneously with the financials w.e.f. 1 April 2023.and also publish the same on the website
- The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report

## 7. Related Party Transactions not approved under this Policy

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



The 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 failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the 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, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

## 8. Review of the Policy

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations which makes any of the provisions in the policy inconsistent with the RPT Regulations, the provisions of the RPT Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the RPT Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the RPT Regulations or as and when the Audit Committee deems appropriate. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

This policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

In the event of any conflict between the Policy and the provisions of any other statute, rule, regulation, the provisions of the statute will prevail.

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at [www.onmobile.com](http://www.onmobile.com).

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