POLICY ON RELATED PARTY TRANSACTIONS OF ROX HI-TECH LIMITED

(Approved by Board on its meeting held on July 20th 2026)

1) SCOPE AND PURPOSE OF THE POLICY

Related-party transactions can present a potential or actual conflict of interest that may be against the best interests of a company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("**Act**"), the rules framed thereunder, and Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), **ROX HI-TECH LIMITED** ("**the Company**") has formulated guidelines for the identification of related parties and the proper conduct and documentation of all related party transactions.

Regulation 23(1) of the SEBI Listing Regulations requires a company to formulate a policy on the materiality of related party transactions and dealing with related party transactions. Further, Regulation 23(2) requires the Audit Committee to define material modification and disclose it as part of the policy.

In light of the above, the company has framed this Policy on Related Party Transactions ("**Policy**"). The policy has been adopted by the Board of Directors of the company based on recommendations of the Company Secretary and shall be effective as of September 1, 2023.

Going forward, the Audit Committee would review and amend the policy at least once every three years, subject to the approval of the Board, unless there is a change in applicable regulations and/or in business conditions affecting the company that requires an earlier change to the policy.

If the terms of this policy differ from any existing or newly enacted regulation or standard governing the company, such regulation or standard will take precedence over this policy until this policy is changed to conform to said regulation or standard.

2) OBJECTIVES OF THE POLICY

The objective of this policy is to set out (a) the materiality thresholds for related party transactions, (b) define material modification, and (c) the manner of dealing with and disclosing the transactions between the company and its related parties as required under the Act, the SEBI Listing Regulations, and any other laws and regulations that may be applicable to the company.

3) DEFINITIONS

3.1 "Arm's Length Transaction (ALP)" means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest; or where, based on the business requirements and then prevailing economic conditions, the relevant stakeholder has approved the terms of a proposed related party transaction; or where a regulator provides for any conditions impacting the

market price of such a transaction (for example, in the case of an Advance Pricing Agreement); etc.

3.2 "Ordinary Course of Business (OCB)" means a transaction which or wherein:

- is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (the "MOA") of the company as amended from time to time, or
- is as per historical practice with a pattern of frequency, or
- is in connection with the normal business carried on by the Company, or
- the income, if any, earned from such an activity or transaction is assessed as business income in the company's books of accounts and hence is a business activity, or
- is common commercial practice, or
- meets any other parameters or criteria as decided by the board or audit committee.

3.3 "Material modification" means any modification made in the value or exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of varying the approved value of the transaction by 25% or more, by which the transaction ceases to be in the ordinary course and/or on an arm's length basis, or by such other parameter as may be determined by the Audit Committee from time to time.

3.4 "Material Related Party Transactions" shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations.

3.5 "Relative" in relation to a related party shall have the same meaning assigned to it in Section 2(77) of the Act.

3.6 "Related Party" shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term "Related Party".

3.7 "Related Party Transactions" shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations or as envisaged in Section188(1) of the Act.

3.8 "Transaction" shall be construed to include a single transaction or a group of transactions in a contract.

3.9 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law or regulation.

1. MATERIALITY THRESHOLDS

4.1 Regulation 23 of the SEBI Listing Regulations requires the company to provide materiality thresholds for transactions beyond which prior approval of the shareholders will be required by way of a resolution.

4.2 The company has fixed its materiality thresholds at the level prescribed under the explanation to Regulation 23(1) of the SEBI Listing Regulations as follows:

4.2.1 In case of a transaction involving payments made to a related party with respect to brand usage or royalty payments, if they exceed five percent (5%) of the annual consolidated turnover of the company as per its last audited financial statements.

4.2.2 In case of any other transaction, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed Rs. 1,000 crore or10 percent (10%) of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower,

4.2.3 Further, Regulation 23 of the SEBI Listing Regulations provides that any subsequent material modifications to the terms of such transactions, as defined by the Audit Committee, shall also require the shareholders' prior approval, which will be obtained by way of a resolution. Material modification shall be construed as meeting the conditions as provided in point 3.2A of this policy.

2. METHOD OF DEALING WITH RELATED PARTY TRANSACTIONS

5.1 <u>Identification of related parties</u>

The company shall identify and update the list of related parties as prescribed under Section 2(76) of the Act, the rules framed thereunder, and Regulation 2(1)(zb) of the SEBI Listing Regulations.

5.2 Identification of related party transactions

The company shall identify related-party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Requirements. The company shall determine whether the transaction is in the ordinary course of business and on an arm's- length basis, and for this purpose, the company may seek an external professional opinion, if necessary.

5.3 Procedure for approval of related party transactions

5.3.1 Approval of the Audit Committee

5.3.1.1 All related-party transactions and subsequent material modifications require the prior approval of the Audit Committee.

5.3.1.2 Only members of the Audit Committee who are independent directors shall approve transactions involving related parties.

5.3.1.3 A related-party transaction to which the subsidiary of a listed entity is a party, but the listed entity is not a party shall require prior approval of the Audit Committee of the listed entity if the value of such a transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds 10 percent of the annual consolidated turnover, asper the last audited financial statements of the listed entity.

Further, with effect from September 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party shall require prior approval of the Audit Committee of the listed entity if the value of such a transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds 10 percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

5.3.1.4 The company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliance with the following conditions:

- The Audit Committee shall, after seeking the guidance of the Board of Directors, specify the criteria for granting the omnibus approval in line with this policy, which shall include the following, namely:

- the name(s) of the related party and its relationship with the company and/or its subsidiaries; the nature of the transaction; the period of the transaction; the maximum number of transactions, in aggregate, that shall be entered into in a year.
- the maximum value per transaction that can be allowed.
- the indicative base price/current contracted price and the formula for variation in the price, if any.
- transactions that cannot be subject to omnibus approval by the Audit Committee; and
- Review, at such intervals as the Audit Committee may deem fit, related party transaction entered by the Company pursuant to each omnibus approval made.
- such other conditions as the Audit Committee may deem fit.

- The Audit Committee shall consider the following factors while specifying the criteria for omnibus approval, namely:

  - repetitiveness of the transactions (past or future).
  - justification for the need for omnibus approval

- The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the company.

5.3.1.5 However, in cases of related-party transactions that cannot be foreseen and where the above details are not available, the Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 crore per transaction.

5.3.1.6 The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered by the Company pursuant to each omnibus approval given.

5.3.1.7 Such omnibus approval shall be valid for a period not exceeding one financial year and shall require a fresh approval after the expiration of such a financial year.

5.3.1.8 In compliance with the approval of the Board of Directors, the Audit Committee of the Company has specified the following criteria for granting omnibus approval:

- The maximum value of the transactions, in aggregate, that can be allowed under the omnibus route in a year will be 25% of the annual consolidated turnover of the company as per its last audited financial statements.

- The maximum value per transaction that can be approved under the omnibus route will be the same as the materiality threshold as defined in Clause 4 of the Policy.

5.3.1.9 For each category of transactions identified as per Clause 5.2 of this policy, the company has a specific framework and guidelines explaining the arm's length criteria to be followed by the company and/or the subsidiary, as may be applicable, while entering transactions falling under contracts and agreements with related parties identified as per Clause 5.1 of this policy. The Company and/or the subsidiary, as may be applicable, while entering RPTs will ensure adherence with the framework and guidelines and will maintain necessary documents for the same.

5.3.1.10 While seeking approval for a related party transaction placed before the Audit Committee, the Audit Committee shall be provided with the information required to be provided under the Act and the Listing Regulations.

5.3.1.11 The Board may consider the details as required to be provided under the Act and the Listing Regulations to the Audit Committee in order to determine if the transaction is in the ordinary course of business and at arm's length or not.

5.3.1.12 The requirement for seeking Audit Committee approval for related party transactions shall not be applicable to transactions between the Company and itswholly owned subsidiary/ies or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company.

5.3.1.13 Transactions of the following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions that are not at arm's length or not in the ordinary course of business.
- Transactions that are not repetitive in nature.
- Transactions exceeding materiality thresholds as laid down in Clause 4 of the Policy
- Transactions in respect of selling or disposing of an undertaking of the company.
- Financial transactions, e.g., loans to related parties, inter corporate deposits, subscriptions to bonds, debentures, or preference shares issued by the related parties, and corporate guarantees given to or received from related parties.
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

5.3.2 <u>Approval of the Board of Directors of the Company</u>

5.3.2.1 As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said section that are not in the ordinary course of business or not on an arm's length basis are placed before the Board for its approval.

5.3.2.2 In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions that may be in the ordinary course of business and at arm's length but that are as per the policy determined by the Board from time to time (i.e., value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down Clause 4 of the Policy and any subsequent Material Modification to a Material Related Party Transaction, which are intended to be placed before the shareholders for approval.

5.3.3 <u>Approval of the Shareholders of the Company</u>

5.3.3.1. All the transactions with related parties meeting the materiality thresholds laid down in Clause 4 of the policy and any material modifications thereto as defined in Clause3.2A will be placed before the shareholders for their approval.

5.3.3.2 The notice being sent to the shareholders seeking approval for any proposed related party transaction shall include information as required under the Act and the SEBI Listing Regulations.

5.3.3.3. Where a related party transaction has been approved by the Audit Committee and shareholders prior to April 1, 2022, there shall be no requirement to seek fresh approval from the shareholders.

5.3.3.4 A related party transaction that has been approved by the Audit Committee prior to April 1, 2022, which continues beyond such date and becomes material as per the revised materiality threshold as specified in Clause 4 above, shall be placed before the shareholders in the first general meeting held after April 1, 2022.

5.3.3.5 The omnibus shareholders' approval of materially related party transactions approved in an annual general meeting shall be valid up to the date of the next annual general meeting for a period not exceeding fifteen months. Further, in cases of omnibus approval for materially related party transactions obtained from shareholders in general meetings other than the annual general meeting, the validity of such omnibus approvals shall not exceed one year.

5.3.3.6 All kinds of transactions specified under Section 188 of the Act that (a) are not in the ordinary course of business or not on an arm's length basis and (b) exceed the thresholds laid down in the Companies (Meetings of the Board and its Powers) Rules,2014, shall be placed before the shareholders for their approval.

5.3.3.7 For this purpose, no related party shall vote to approve the relevant resolution, irrespective of whether the entity is a related party to the particular transaction or not.

5.3.3.8 Pursuant to Regulation 23(5)(b) of the SEBI Listing Regulations and Section 188(1)of the Act, the requirement for seeking shareholders' approval shall not be applicable, *inter alia*, to:

- Transactions entered between the company and its wholly owned subsidiary, whose accounts are consolidated with the company, are placed before the shareholders at the general meeting for approval.
- Transactions 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.
- Above, prior approval of the shareholders shall not be required in cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the Listing Regulations are applicable to such a listed subsidiary.
- Also, requirements for shareholders' approval shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed to the
- Exchanges within one day of the resolution plan being approved.

3. DISCLOSURES

6.1 The company shall disclose, in the board's report, transactions prescribed in Section 188(1) of the Act with related parties that are not in the ordinary course of business or on an arm's length basis, along with the justification for entering into such transactions.

6.2 In addition to the above, the company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 4 of the policy above) on a quarterly basis to the stock exchanges along with the compliance report on corporate governance pursuant to listing regulations.

6.3 The company shall submit, within the timelines prescribed under Regulation 23(9) of the Listing Regulations, disclosures of related party transactions on a consolidated basis, in the format specified by SEBI from time to time and publish the same on its website.

6.4 As prescribed under Regulation 46(2)(g) of the SEBI Listing Regulations, this policy shall be disclosed on the company's website, viz., **https://rox-hitech.com/**

4. Related party transactions not approved under this policy.

1.1 In the event the company becomes aware of a transaction with a related party that has not been approved in accordance with this policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure to report such related party transactions to the Audit Committee under this policy and the failure of the internal control systems and shall take any such action it deems appropriate.

1.2 In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit 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 or approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this policy.