

AURUM CAPITAL PROJECTS LIMITED

**POLICY ON RELATED PARTY
TRANSACTIONS**

AURUM CAPITAL PROJECTS LIMITED

1. INTRODUCTION

The Board of Directors (the “Board”) of Aurum Capital Projects Limited (the “Company”), has adopted the following policy and procedures with regard to dealing with Related Party Transactions and Materiality of Related Party Transactions as defined below. The Board of the Company has adopted this Policy upon the recommendation of the Audit Committee.

This policy is framed in compliance with the provisions of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”) and such other Rules/Regulations, as may be notified by the Government/ SEBI from time to time and Section 188 of the Companies Act, 2013 (“**the Act**”) and the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, and other applicable provisions, if any; collectively referred to as the Applicable Regulatory Provisions.

2. PURPOSE

This policy will regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company and provides for materiality of Related Party Transactions. This Policy is intended to ensure transparency and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as amended from time to time.

3. DEFINITIONS

“Act” means the Companies Act, 2013 including any amendment or modification or statutory re-enactment thereof.

“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 applicable law, including SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI LODR”) and the Act.

“Board” means the Board of Directors of the Company.

“Key Managerial Personnel” or “KMP” means Key Managerial Personnel as defined under the Act and the Rules made there under.

“Listing Regulations or SEBI LODR” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“Manager” means a manager as defined under section 2(53) of the Act.

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“Managing Director” means a managing director as defined under section 2(54) of the Act.

“Material Modification(s)” means and include any modification to an existing related party transactions, in aggregate with a related party, having variance of 25% in value of the transaction already approved by the Audit Committee or Board or Shareholders, as case may be, or such modification as may be decided by the Audit committee.

“Material Related Party Transaction” means such transaction as specified under Regulation 23 of the Listing Regulations.

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

“Policy” means this Policy on Related Party Transaction.

“Related Party” means a related party as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations “Related Party Transaction” means such transactions as specified under Section 188(1) of the Act and Regulation 2(1)(zc) of the Listing Regulations.

“Relative” means relative as defined under section 2(77) of the Act from time to time.

“Turnover” means turnover as defined under section 2(91) of the Act.

Any other term not defined herein shall have the same meaning as defined in the Act, Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable laws or regulations.

4. IDENTIFICATION AND REVIEW OF POTENTIAL RELATED PARTY TRANSACTIONS

(a) Each Director, Key Managerial Personnel and Senior management Personnel as defined in the Nomination and Remuneration Policy of the company is responsible for providing the notice to the Audit Committee/Board of potential related party transaction whenever wishes to enter into a related party transactions with the Company involving either him/her or his/her relative, along with all relevant details and documents. The Company Secretary and Chief Financial Officer are authorized to determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

(b) Notice of any related party transactions, referred above shall be given well in advance to the Audit Committee/Board so that they would have adequate time to review the proposed transaction, additional information or documents about the proposed related party transactions, if necessary, which is required to be placed before the Audit Committee to enable it to approve the said transactions.

5. GENERAL POLICY

All Related Party Transactions and subsequent material modifications must be reported to the Audit Committee for its pre-approval in accordance with this Policy. On a quarterly basis, the Audit Committee

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shall review transactions with related parties for omnibus approval given on the basis of the Applicable Regulatory Provisions. Omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Company shall not directly or indirectly give loan or give any guarantee or security in connection with loan to any person or body corporate exceeding prescribed limits.

However, such restrictions would not apply to transactions with wholly owned subsidiary (ies).

6. CONTRACTS OR ARRANGEMENTS NOT IN THE ORDINARY COURSE OF BUSINESS OR AT ARM'S LENGTH BASIS

Contracts or arrangements approved which are not in the ordinary course of business or at arm's length shall be disclosed in the Board's Report along with justification for entering into such contract or arrangement. In the event such contract or arrangement is not in the ordinary course of business or at arm's length, the company shall comply with the provisions of the Act and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions will be placed for the approval of the shareholders of the Company and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Transactions with wholly owned subsidiary (ies), whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, are exempt from approval of shareholders. 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 Five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

7. DISCLOSURES

The Company shall disclose details of contracts or arrangements or transactions not at arm's length basis in its Directors Report and material contracts or arrangement or transactions at arm's length basis in its Corporate Governance Report. Additionally, disclosures of transactions of the Company with any person or entity belonging to the promoter / promoter group which hold(s) 20% or more shareholding in the Company, should be in the format prescribed in the relevant accounting standards for annual results.

Appropriate disclosures as required under the Act and the SEBI (LODR) Regulations will be made in the annual return, Board's report and to the stock exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the annual report of the Company.

Further, the Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the

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stock exchanges where the specified securities (as defined in the Listing Regulations) of the Company are listed and publish the same on its website.

8. APPROVAL OF THE SHAREHOLDERS OF THE COMPANY

All Material Related Party Transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Provided that the requirements specified herein shall not apply in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved. In addition to the above, all kinds of transactions specified under Section 188 of the Companies Act as mentioned below need approval of shareholders:

- are not in the ordinary course of business or not at arm's length basis; and
- exceeds the thresholds laid down in the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time).

9. OMNIBUS APPROVAL

1. Omnibus approval shall be applicable in respect of transactions which are repetitive in nature.
2. Before granting omnibus approval, committee shall satisfy itself of need for such approval and such approval is in the interests of the company
3. The omnibus approval shall specify:-
 - i. the name(s) of the related party, the nature, the tenure and the maximum amount of the transaction in aggregate to be entered into
 - ii. maximum value of the transaction during the year.
 - iii. the indicative base price / current contracted price and the formula for variation in the price if any;
 - iv. such other conditions as the audit committee may deem fit:
4. Where the aforesaid details are not available or the need for related party transaction cannot be foreseen, committee may grant omnibus approval subject to their value not exceeding Rupees one crore per transaction which shall be valid for a period not exceeding one financial year and will require fresh approval after expiry of one financial year.
5. The committee shall quarterly review the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given and shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

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10. GENERAL GUIDELINES

a) Form AOC 2 requires the disclosure of details of material contracts or arrangement or transactions at arm's length basis. It may be noted that what constitutes a 'material' related party transaction is neither defined under 2013 Act nor under the relevant Rules.

Alternatively the term 'material' may be construed as per the SEBI LODR Regulations only for the purpose of disclosure in the Board Report with this fact also being disclosed. Apart from the reporting requirements discussed above, the Company may be required to disclose / report related party relationships and transaction to other stakeholders and authorities and disclosures on Company websites, information memorandum for fund raising etc.

b) For the purpose of this policy, 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.

11. 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 Committee. The 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 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.

12. REVIEW OF THE POLICY

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

“Approved in the Board Resolution dated 11.08.2021”