



MAX ESTATES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related party transactions can present a risk of actual or apparent conflicts of interest of the Promoters, Directors, Senior Management etc. with the interest of the Company.

The Board of Directors of the Company, has adopted this policy and procedures for dealing with Related Party Transactions, in compliance with the requirements of the Companies Act 2013 and Rules made there under and any subsequent amendments thereto (the "Act"), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Industry Standards on Related Party, as may be amended from time to time, in order to ensure the transparency and procedural fairness of such transactions.

This policy is to regulate transactions between the Company or its Subsidiary and its related parties based on the laws and regulations applicable on the Company and to align with the Industry Standards on Minimum information to be provided for review and approval of the Related Party Transaction' (RPT), ("Industry Standards on RPT") by the Audit Committee and approval by the Shareholders.

2. Definitions:

2.1 "Related Party" and 'Related Party Transactions' shall have the meanings ascribed to them under the Act, and the Listing Regulations.

2.2 Material Modifications:

Quantitative criteria: any change in the terms of the transaction which results in change in the value of transaction more than 20% of the approved value of the transaction.

2.3 Material Related Party Transaction:

Pursuant to the provisions of Regulation 23 of the Listing Regulations, a Related Party Transaction is **MATERIAL** if it meets or exceeds the turnover-based thresholds specified below, calculated from the Company's annual consolidated turnover as per the last audited financial statements:

Consolidated Turnover of Listed Company	Threshold
Up to INR 20,000 Crore	10% of annual consolidated turnover of the listed entity
More than INR 20,000 Crore to upto INR 40,000 Crore	INR 2,000 Crore + 5% of annual consolidated turnover of the listed entity above INR 20,000 Crore
More than INR 40,000 Crore	INR 3,000 Crore + 2.5% of annual consolidated turnover of the listed entity above INR 40,000 Crore or INR 5,000 Crore, whichever is lower.

Pursuant to the provisions of Regulation 23(1A) of the Listing Regulations, Transactions involving brand usage, royalty, or license fees to a related party are **MATERIAL** if the transaction value exceeds 5% of annual consolidated turnover of the Company as per the last audited financial statement of the Company.

The words and phares which are used in the policy and defined above shall have same meaning as mentioned in Companies Act, 2013 and Listing Regulations.

3. POLICY GUIDELINES

- 3.1 All Related Party Transactions and any subsequent material modification thereto, shall require the prior approval of the Audit Committee of the Company. Further, all material Related Party Transactions and any material modification thereto as defined by audit committee in terms of this policy shall require the prior approval of the shareholders of the Company, in the manner prescribed under the Listing Regulations, and the Companies Act, 2013.
- 3.2 Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. Further, a related party transaction above rupee one crore 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 limits as specified below or as per applicable law, amended from time to time:
- (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- (ii) the threshold for material related party transactions of Company as specified in Point no 2.3 above
- 3.3 In case a subsidiary of the Company enters into a related party transaction exceeding ₹1 crore (whether individually or taken together with previous transactions during a financial year), and such subsidiary does not have audited financial statements for at least one year, prior approval of the Audit Committee of the listed entity shall be required if the transaction value exceeds the lower of:
- (i) ten percent of the aggregate of the subsidiary's paid-up share capital and securities premium; or
- (ii) the threshold for material related party transactions of Company as specified in Point no 2.3 above
- 3.4 The members of the audit committee, who are independent directors, may ratify related party transactions within three 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:
- 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 rupees one crore;
 - the transaction is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of Listing Regulations;
 - rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
 - the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of the Listing Regulations; and
 - any other condition as specified by the audit committee:
- Provided that 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."
- 3.5 However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company or its subsidiary/(ies), subject to the compliance of conditions stipulated under as per applicable law, amended from time to time.
- 3.6 The omnibus approval granted by the Shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time.

Further, in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

3.7 Transactions not requiring approval under this Policy:

- Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel (KMP) or senior management, except who is part of promoter or promoter group, provided the same is not material in terms of point 2.3 of this Policy.
- Reimbursement of business and travel expenses of Directors and KMPs incurred in the ordinary course of business;
- 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
- Payment of Dividend
- Transactions involving corporate restructuring, such as buy-back of shares, subdivision or consolidation of securities and issuance of securities by way of a rights issue or a bonus issue;
- Retail purchases from the Company or its subsidiary by the directors or key managerial personnel of the Company or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.
- 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.
- Transactions entered into between two wholly-owned subsidiaries of the listed holding Company, whose accounts are consolidated with such holding Company and placed before the shareholders at the general meeting of the Company for approval.
- Any other exemption granted by Ministry of Corporate Affairs of SEBI from time to time

3.8 The agenda of the Audit Committee / Board meeting, and the Notice of the General Meetings/Postal Ballots, where the approval of the shareholders requires pertaining to transactions with related parties, is proposed to be moved, shall disclose the information as may be required under Companies Act, 2013 and Listing Regulations and Industry Standards on Related Party Transaction or any amendment(s) thereof, clarification(s), circular(s), guideline(s), standard(s) etc. issued by the relevant authorities from time to time.

3.9 Where any director/ member of the Audit Committee is interested in any contract or arrangement with a related party, such director/ member shall recuse himself/ herself and abstain from the discussions on the subject matter of the resolution relating to such contract or arrangement.

3.10 No related party shall vote in the General Meeting to approve the related party transaction whether the entity is a related party to the particular transaction or not.

3.11 The Company shall submit disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards, to the stock exchanges and publish the same on its website in the manner prescribed under Regulation 23 of the Listing Regulations. However, effective December 31, 2024, 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 under the sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of the regulation.

3.12 The Board can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s), guideline(s), standard(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this Policy and this Policy shall stand amended/ modified accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

3.13 The provisions of the Companies Act, 2013, Industries Standards and Listing Regulations, as amended, from time to time, shall be applicable, in case of any conflict with the aforesaid policy.

4. Penalties for Non-Compliance:

Any director or any other employee of a Company, who had entered into or authorized the contract or arrangement in violation of the provisions with respect to the said policy, shall be punishable under the applicable laws, as amended from time to time.



Policy Version	Date of Board Approval	Effective Date
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