

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

1. Introduction

This Policy had been framed by the Company pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

This Policy has been modified to comply with the requirements of amendments to the Listing Regulations.

2. Definitions

- i. **'Act'** means the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.
- ii. **'Arm's Length basis'** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. [Explanation (b) to Section 188(1) of the Act].
- iii. **'Associate Company'** shall be as defined in the Act and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.
- iv. **'Audit Committee'** means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act read with Regulation 18 of the Listing Regulations.
- v. **'Board of Directors'** or **'Board'** means the Board of Directors of the Company, as constituted from time to time.
- vi. **'Company'** means Open Elite Developers Limited (formerly known as Reliance Commercial Finance Limited).
- vii. **'Control'** shall have the same meaning as defined in the Act.
- viii. **'Key Managerial Personnel'** in relation to the Company shall be as defined under Section 2(51) of the Act, as amended from time to time.
- ix. **'Material Related Party Transaction'** means a Related Party Transaction which is material in terms of the provisions of the Act and/or the Listing Regulations, as amended from time to time, which states that "a transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company, whichever is lower.

- x. **Material Modification(s)** in relation to a related party transaction shall mean any modification to an existing related party transaction having variances of amount exceeding 20% of the value of the transaction as previously approved by the Audit Committee.
- xi. **‘Ordinary course of business’** would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per its Memorandum & Articles of Association.
- xii. **‘Related Party’ with reference to the Company, means an entity where:**
- Such entity is a related party as defined under section 2(76) of the Act or under the applicable accounting standards; or
 - Such entity is a related party as defined under Regulation 2(zb) of the Listing Regulations.
- xiii. **‘Related Party Transactions’** (“RPT”) shall mean a transaction between the Company and a Related Party which transaction is of the nature specified in section 188 of the Act or is a related party transaction as defined under Regulation 2(zc) of the Listing Regulations.
- xiv. **‘Relative’** with reference to any person shall have the meaning as defined under section 2(77) of the Act and Rules prescribed thereunder and Regulation 2(zd) of the Listing Regulations, as amended from time to time.
- xv. **‘Subsidiary’** shall be as defined under the Act and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any other applicable law or regulations.

3. Applicability and Legal Framework

This Policy and the Related Party Transactions of the Company shall be in compliance with and governed by the Act read with Rules made thereunder, as may be in force from time to time, as well as Listing Regulations or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4. Transactions between the Company & Related Parties and its Materiality threshold

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Act and Regulation 23 of the Listing Regulations and other applicable laws, as amended, from time to time.

A transaction with the related party shall be considered as 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, with effect from July 1, 2019, 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, exceeds Rs. 5% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

5. Process for dealing with Related Party Transactions

The Company shall, with the approval of the Board of Directors, establish appropriate internal processes for the purpose of identification of Related Parties and any transactions with them, determination of whether the transaction(s) is in the ordinary course, whether the transaction(s) is on an arm's length basis, monitoring 'materiality' threshold, and other relevant matters to ensure adherence to this policy while entering into transactions with Related Parties.

6. Approval of Related Party Transactions

6.1 Prior approval of Audit Committee

All Related Party Transactions, where Company is a Party, and any subsequent modifications to said transactions shall require prior approval of the Audit Committee, whether at a meeting or by Resolution by circulation, as prescribed under the Act and Listing Regulations.

Related Party Transactions to which subsidiary Company(ies) of the Company are party (ies) but the Company is not a party, shall require approval of the Audit Committee of the Company as per Regulation 23 of the Listing Regulations if it crosses the threshold of 10% of the annual standalone turnover, as per the last audited financial statement of the subsidiary. Any material modification to such transactions shall also require prior approval of the Audit Committee of the Company.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

To review a Related Party Transaction, the Board/ Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other matter, as may be required.

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 (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 per transaction.

The Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Further, the Company shall provide such information to Audit Committee for seeking approval for Related Party Transactions, as prescribed under the Act, Listing Regulations read with SEBI Circulars as amended from time to time.

For the purpose of Regulation 23 of the Listing Regulations, prior approval of the Audit Committee shall not be applicable to transactions exempted under Listing Regulations, as amended from time to time.

6.2 Prior approval of Board of Directors under the Act

Transactions with the related parties within the scope of Section 188 of the Act, which are either not in the Ordinary Course of Business or are not at Arm's Length basis or both shall require prior approval of the Board of Directors.

6.3 Shareholders' approval requirements:

All Related Party Transactions pursuant to section 188 of the Act which are not in the ordinary course of business and / or not an Arms' length basis require prior approval of the Board if such transactions crosses the threshold limits prescribed under the Act, such transactions also require the approval of shareholders of the Company by a resolution and the Related Parties with whom transactions are being entered shall not vote to approve such shareholder's resolution(s).

All material related party transactions and subsequent material modifications to such transactions, as defined by the Audit Committee in this Policy, shall require prior 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.

In case the shareholders decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to,

immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

The requirement for seeking Shareholders' approval shall not be applicable to transactions exempted under the under the Act and the Rules made thereunder and the Listing Regulations, as amended from time to time.

7. Review of the Policy

The Board will review this Policy from time to time as prescribed under the Act or Listing Regulations.

8. Amendment

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or the Listing Regulations or any applicable law for the time in force.
