



MAX ESTATES LIMITED

(CIN : U70200PB2016PLC040200)

Registered office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S. B. S. Nagar (Nawanshehr), Punjab – 144533, India

Tel. No.: 01881-462000, 462001 Fax: 01881- 273607

Email – Secretarial@maxestates.in, Website: www.maxestates.in

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

A related party transaction means a related party transaction as defined under SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, as amended from time to time ('Listing Regulations').

A related party means a related party as defined under the Listing Regulations. A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

POLICY GUIDELINES

1. There are some ongoing transactions with various related parties which have been perused and approved by the Board from time to time. Although such transactions are in the ordinary course of business and on arm's length basis, yet any modification or fresh arrangement with related parties as listed above shall be approved by the audit committee from time to time.
2. All such Related Party Transactions and subsequent modifications including any material modification thereof to Related Party Transactions shall require prior approval of the Audit Committee of the Company in the manner prescribed under the Listing Regulations and the Companies Act, 2013. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company.
3. However, all the material Related Party Transactions entered into by the Company, exceeding 10% of the Annual Consolidated Turnover of the Company as per the last audited Financial Statements of the Company and any subsequent material modifications to material Related Party Transactions, will be put up for approval of non-related party shareholders during the general meeting, wherein the related party shall not vote to approve the relevant transaction. A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the Annual Consolidated Turnover of the Company as per last audited Financial Statements of the Company.
4. The prior approval Audit Committee and Shareholders as mentioned above, shall not be applicable for the transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with company and are placed before shareholders at the general meeting for approval.
5. While approving the Related Party Transactions, the Board will go through all the material details like (i) whether the transaction is fair to the Company, (ii) whether the Audit Committee has been made available all of the material facts regarding the transaction or

parties involved, (iii) whether the transaction is generally available to an unrelated third-party under the same or similar circumstances and cost, and (iv) the extent of the Related Person's interest in the transaction.

6. The agenda of the Audit Committee / Board meeting, at which any resolution pertaining to transactions with related parties is proposed to be moved, shall disclose:
 - the name of the related party and nature of relationship;
 - the nature, duration of the contract and particulars of the contract or arrangement;
 - the material terms of the contract or arrangement including the value, if any;
 - any advance paid or received for the contract or arrangement, if any;
 - the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - whether all factors relevant to the contract have been considered and if not, the details of factors not considered with the rationale for not considering those factors; and
 - any other information relevant or important for the Audit Committee / Board to take a decision on the proposed transaction.
7. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
8. The explanatory statement to be annexed to the notice of a general meeting convened for the purpose of seeking approval of shareholders for entering into related party transactions shall contain the following particulars namely:
 - name of the related party ;
 - name of the director or key managerial personnel who is related, if any;
 - nature of relationship;
 - nature, material terms, monetary value and particulars of the contract or arrangement;
 - any other information relevant or important for the members to take a decision on the proposed resolution.
9. Details of all material transactions with related parties shall be disclosed in the quarterly compliance report on corporate governance being submitted to the Stock Exchanges.
10. The Company shall submit disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the Stock Exchanges and publish the same on its website in the manner prescribed under Regulation 23 of the Listing Regulations.
11. The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
12. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. Any subsequent amendment / modification in the applicable laws in this regard shall automatically apply to this Policy.
