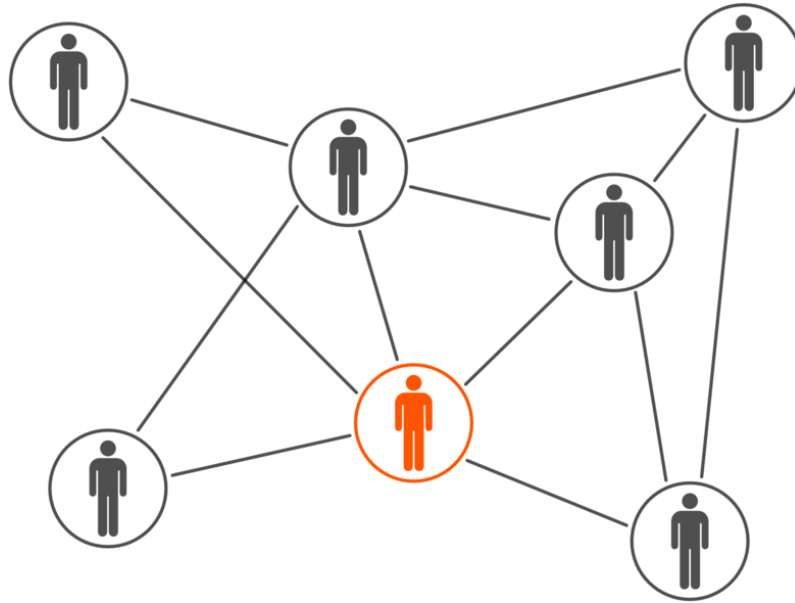




**FACTOR**



**POLICY ON MATERIALITY  
OF  
RELATED PARTY TRANSACTIONS**

## 1. BACKGROUND

E Factor Experiences Limited (“Company”) recognizes that Related Party Transactions (as defined hereinafter) can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its stakeholders. Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) as amended from time to time, the Company has adopted this Policy regarding the review and approval of Related Party Transactions and to set forth the guidelines on materiality of such Related Party Transactions.

## 2. OBJECTIVE

This policy has been framed to deal with various related party transactions including but not limited to material Related Party Transactions which are not in the ordinary course of business or not at Arm’s Length basis.

This policy aims to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders. This policy deals with materiality threshold for related party transactions and the manner of dealing with the transactions with Related Parties by the Company keeping in view the provisions of the Act and LODR Regulations

## 3. DEFINITIONS

“**Arm’s Length Transaction**” means a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of the Company as per LODR Regulations and the Act, from time to time.

“**Relative**” in relation to the related party shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with rule 4 of The Companies (Specification of definition details) Rules, 2014

“**Related Party**” will have the same meaning as defined under Section 2(76) of the Companies Act, 2013 or under the applicable Accounting Standards, as may be amended from time to time.

“**Related Party Transaction**” means

- for the purpose of the Act specific transactions mentioned in clause (a) to (g) of subsection 1 of Section 188;
- for the purpose of LODR Regulations, transfer of resources, services or obligations between:
  - i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
  - ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries;regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

**“Materiality of Related Party Transactions”** means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds Rs. 50 Crores or ten per cent. of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Any other term not specifically defined hereinabove shall have the same meaning as defined under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

#### **4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS**

All Related Party Transactions (and amendments or modifications thereto) shall be reported to the Audit Committee and referred for the approval of the Audit Committee or the Board of Directors or Shareholders of the Company as may be required and, in the manner, provided under this Policy.

##### **Review and approval of Audit Committee:**

In terms of Regulation 23 of SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee is required for entering transactions with related parties. Any member of the Committee who is in any way concerned or interested in any Related Party Transaction shall not vote to approve of any such resolution. Further on a regular basis the transactions entered by the Company with the related parties which are in the ordinary course of business and on an Arm’s Length basis shall be placed before the committee on half yearly basis for its ratification.

However, the Audit committee may grant omnibus approval in case of frequent/ regular/ repetitive transactions with related parties which are in the normal/ ordinary course of business of the Company. While granting such approval the Audit Committee shall satisfy itself regarding the need for the omnibus approval and that same is in the interest of the Company.

The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied/ amended. Any proposed variations/ amendments to these factors shall require prior approval of the Committee.

Further, where the need of the related party transactions cannot be foreseen and all prescribed details are not available, the Committee may grant omnibus approval subject to the limits as envisaged in the LODR Regulations from time to time. Further, the Committee shall, on half yearly basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one financial year and fresh approval shall be obtained after the expiry of one year.

### **Approval by the Board:**

The Related Party transactions as specified under section (1) of the Section 188 of Act, which are not in the ordinary course of business and on an Arm's Length basis, shall require approval of the Board. Further, if the Committee is of the view that certain Related Party Transaction(s) should be brought before the Board or if the Board in any case elects to review any such matter or it is specifically provided under any other provision of the Act to be passed by the Board, then the Board shall consider and approve such Related Party Transactions.

Where any Director is interested in any Contract or Arrangement with a related party, such Director shall not be present at the meeting during the discussions on the subject matter of the resolution relating to such contract or arrangement.

### **Approval of Shareholders:**

a) All Material Related Party Transactions shall require approval of the shareholders through a resolution and the Related Parties shall abstain from voting on such resolution (for the purpose of Listing Regulations).

b) All the related party transaction(s) to be entered into in terms clauses (a) to (e) of subsection 1 of Section 188 the value/ consideration of which is in excess of their respective limits specified under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rule, 2014 other than Transactions specified in the Para (a) above and the transactions which are in ordinary course of business and on Arm's Length basis shall require approval of the shareholders. No member of the Company shall vote on any resolution involving a transaction if such member is a related party.

### **Related Party Transactions not previously approved:**

If at any instance, the Company becomes aware of a Related Party Transaction that has not been approved or ratified, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification/approval.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances in respect of any such transaction(s) and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee / Board deems appropriate under the circumstances.

## **5. DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS**

The Company shall make appropriate disclosures/ reporting with respect to related party transactions, as per the applicable provisions of the Act and Listing Regulations.

The Company shall also maintain relevant register(s) for recording particulars of all such transactions, contracts or arrangements with the related parties as per the relevant provisions of the Act.

## **6. AMENDMENT**

Managing Director is authorized to make minor modifications to this Code which may be required to bring the Code in line with any regulatory/ statutory changes and which to remove ambiguities, enhance clarity on the provisions of the Code etc. Any major modification to the Code will require authorization of the Audit Committee and the Board. Statutory amendments in SEBI (LODR) Regulations, 2015 shall be implemented by the Compliance Officer with immediate effect.

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Approved by BoDs on March 28, 2023  
Last amended on March 31, 2025