

# Related Party Transaction Policy

Preamble:

The Board of Directors (the “Board”) of Max Alert Systems Limited (the “Company”) has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

The policy is framed as per requirement of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such Transactions are appropriate only if they are in the best interest of the Company and its share holders. The Company is required to disclose each year in the Financial Statement certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

**“Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under provisions of Listing Agreement and Companies Act, 2013

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

**“Policy”** means Related Party Transaction Policy

**“Related”** means an entity shall be considered as related to the Company if:

Such entity is related party under section 2(76) of the Companies Act, 2013 or

Such entity is related party under applicable accounting standards.

**“Related Party Transaction”** means any transaction directly or indirectly involving any

Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

**“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.

**“Relative”** means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if :-

They are members of Hindu undivided family

They are husband wife

Father (including step-father)

Mother (including step-mother)

Son (including step-son)

Son's wife

Daughter

Daughter's husband

Brother (including step-brother)

Sister (including step-sister)

All Related Party Transactions shall be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee.

Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into; The value per transaction shall not exceed Rs.1 crore.

The indicative base price / current contracted price and the formula for variation in the price, if any; and

Such other conditions as the Audit Committee may deem fit.

The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.

The Audit Committee shall review, at least 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 approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed there under and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions, other than those with exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company.

A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

Nothing contained in this policy shall apply to the following cases:-

- (i) Transactions entered into between two government companies;
- (ii) 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.