

CMX HOLDINGS LIMITED

(Earlier Known as SIEL FINANCIAL SERVICES LIMITED)

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION AND ON DEALING WITH RELATED PARTY TRANSACTION

1. INTRODUCTION

- Pursuant to the provisions of Section 188 of the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time), the Company has formulated this policy, which applies to transactions between the Company and one or more of its Related Party(ies) as defined hereinbelow. It provides a framework for governance and reporting of Related Party Transactions including Material Related Party Transactions. The Board shall review this policy at least once every three years and update accordingly.
- The Audit Committee (the “Committee”) will review, modify and approve the related party transaction to be entered by the Company, and give their recommendations to the Board.
- Any changes in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

2. PURPOSE

This Policy is intended to ensure that proper approval and reporting of transactions between the Company and the related parties have been made.

3. DEFINITIONS

The term Related Party and Related Party Transactions (RPT) and Relative will carry the meaning as stated under the Companies Act, 2013 read with Rules made thereunder and further read with SEBI Listing Regulations.

“**Related Party Transaction (RPT)**” is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged including without limitation –

- Sale / purchase of goods;
- Availing or rendering of services;
- Buying / selling / leasing of property;

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- Appointment of agent for purchase or sale of goods, materials, services or property;
- Appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- Remuneration for underwriting the subscription of any securities or derivatives thereof of the company.

“Relatives of Directors / Key Managerial Persons”:

- I. Members of same Hindu Undivided Family;
- II. Spouse;
- III. Father (“Father” includes step-father);
- IV. Mother (“Mother” includes the step-mother);
- V. Son (“Son” includes the step-son);
- VI. Son’s wife;
- VII. Daughter;
- VIII. Daughter’s husband;
- IX. Brother (“Brother” includes the step-brother); and
- X. Sister (“Sister” includes the step-sister).

“Related Party”: means

- A director or his relative; Any firm in which any such director or his relative is a partner;
- Any private company of which any such director or manager is a director or member;
- Any Body Corporate at a General Meeting of which not less than 25% of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; anybody corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company;
- A Public Company in which Director or Manager is a Director and holds along with his relatives, more than 2% of its paid-up share capital;
- Any company which is holding, subsidiary or an associate company of such company; subsidiary of a holding company to which it is also a subsidiary.
- A Director or Key Managerial Personnel of holding company or his relatives with reference to a company shall be deemed to be a related party; and
- An entity which is Related Party under the applicable Accounting Standards.

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4. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

APPROVAL BY AUDIT COMMITTEE

- The Company shall not enter into any transaction/contract/ arrangement or any subsequent material modification thereof with a Related Party without the prior approval of the Audit Committee unless the transaction /contract/ arrangement / modification enjoys any exemption as provided under the Companies Act, 2013 or Rules made thereunder or under the SEBI Listing Regulations.
- The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the company, subject to the conditions as stated under Regulation 23(3) SEBI Listing Regulations.

APPROVAL BY BOARD OF DIRECTORS

All transactions with Related Parties which are in the Ordinary Course of business other than transactions which are not at arm's length basis shall require approval of Board of Directors.

In the above context, where any Director is interested in any contract or arrangement with a Related Party such Director shall not be present during the discussion and vote on the subject matter of the resolution relating to such contract or arrangement.

THRESHOLD LIMITS FOR DEALING WITH RELATED PARTY TRANSACTIONS shall be as prescribed under Companies Act, 2013 and / or the Listing Regulations (as amended from time to time).

RATIFICATION OF CONTRACT OR ARRANGEMENT

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

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