



NEXOME CAPITAL MARKETS LIMITED
(FORMERLY SMIFS CAPITAL MARKETS LIMITED)

POLICY ON RELATED PARTY TRANSACTIONS

Pursuant to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (if any).

[approved by the Board of Directors on June 04, 2025]

Regd. Office: Vaibhav, 4F, 4 Lee Road, Kolkata- 700020

POLICY ON THE RELATED PARTY TRANSACTIONS

This Policy is framed as per the requirements of Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof (“**SEBI Listing Regulations**”) and in terms of Section 188 of the Companies Act, 2013 (“**Act**”).

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Nexome Capital Markets Limited (Formerly SMIFS Capital Markets Limited) (the “**Company**”) has adopted this Policy on the Related Party Transactions (the “**Policy**”) to provide guidance on the procedure with regard to the Related Party Transactions (as defined below). This Policy is to regulate transactions between the Company and its Related Parties (as defined below) based on the applicable laws.
- 1.2 This revised Policy is applicable to the Company effective from the date of approval by the Board of Directors unless otherwise in the Policy. The Board of Directors upon the recommendations of the Audit Committee (as defined below) will review and may amend this Policy from time to time.

2. PURPOSE

- 2.1 Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. This Policy is framed on the basis of requirements under the Act and the SEBI Listing Regulations and to ensure identification of Related Parties, proper conduct, governance and reporting of transactions between the Company and its Related Parties.

3. DEFINITIONS

- 3.1 “**Arm’s Length Pricing**” means pricing of a transaction concluded between two Related Parties at a price as if they are unrelated so that there is no conflict of interest.
- 3.2 “**Audit Committee**” or “**Committee**” means the Audit Committee constituted under provisions of the Act and the SEBI Listing Regulations, by the Board of Directors from time to time.
- 3.3 “**Key Managerial Personnel**” or “**KMP**” means key managerial personnel as defined under the Act and the rules made thereunder and appointed by the Company, from time to time.
- 3.4 “**Material Related Party Transaction**” 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 the following:

Sl. No.	Consolidated Turnover of Listed Entity Threshold	Threshold
1	Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
2	More than ₹20,000 Crore to upto ₹40,000 Crore	INR 2,000 Crore + 5% of the annual consolidated turnover of the listed entity above INR 20,000 Crore

3	More than ₹40,000 Crore	INR 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above INR 40,000 Crore or INR 5000 Crores, whichever is lower.
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Provided that 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, exceed 5% (five percent) of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

- 3.5 **“Material Modification”** in relation to a Related Party Transaction means and includes any modification to an existing Related Party Transaction having variance of 20% (twenty percent) of the existing limit as sanctioned by the Audit Committee / Board / shareholders of the Company, as the case may be.
- 3.6 **“Ordinary Course of Business”** means usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum of Association and Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.
- 3.7 **“Policy”** means this policy on the Related Party Transaction(s).
- 3.8 **“Related Party”** shall have a meaning as defined in Section 2(76) of the Act, Regulation 2(1)(zb) of SEBI Listing Regulations and under other applicable law, as amended from time to time.

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the Company; or
 - (b) any person or any entity, holding equity shares of ten per cent or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year, shall be deemed to be a related party.
- 3.9 **“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:
- (A) The Company or any of its subsidiaries on the one hand and a Related Party of the Company or any of its subsidiaries on the other hand; or
 - (B) The Company or any of its subsidiaries on the 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 Company 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.

Provided that following shall not be a related party transaction:

- (i) Issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (ii) Following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - a) payment of dividend;
 - b) subdivision or consolidation of securities;
 - c) issuance of securities by way of a rights issue or a bonus issue; and
 - d) buy-back of securities.
- (iii) Retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

3.10 **“Relatives”** as defined in Section 2(77) of the Act and rules made thereunder.

Any other terms not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation as amended from time to time.

In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

4. MATERIALITY THRESHOLDS

- 4.1 Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and no Related Party shall vote to approve such resolution, whether the entity is a Related Party to the particular transaction or not.
- 4.2 The Company has fixed its materiality threshold on the basis of Regulations 23(1), 23(1A) and 23(4) of the SEBI Listing Regulations at the following:
 - (a) Transactions with a Related Party: a Material Related Party Transaction defined under clause 3.4 of the policy; and
 - (b) Payment to a Related Party with respect to brand usage or royalty: exceeding 5% (five percent) of the consolidated annual turnover of the Company as per last audited financial statements of the Company.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

5.1 Notice of Potential Related Party Transactions

- 5.1.1 Each Director and KMP shall disclose to the Board of Directors of the Company, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all persons, entities, firms in which he/ she is

interested, whether directly or indirectly.

- 5.1.2 Each Director and/or KMP shall provide notice of any potential Related Party Transaction well in advance to the Board of Directors and/or Audit Committee involving him/her or his/her relative or his/her relative party, including any additional information about transaction that Board of Directors and/or Audit Committee may request, for being placed before the Board and/or Committee.
- 5.1.3 The Board/ Audit Committee shall record the disclosure of interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- 5.1.4 The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance, so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

5.2 Review and Approval of Related Party Transactions by the Audit Committee

- 5.2.1 Subject to the exceptions provided under SEBI Listing Regulations and the Act, all Related Party Transactions and subsequent Material Modification(s) thereof shall require prior approval of the Audit Committee of the Company.
- 5.2.2 A Related Party Transaction to which the unlisted subsidiary(ies) of the Company is a party, but the Company is not a party, exceeding INR 1 crore, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:
- (i) The thresholds defined for a Material Related Party Transaction; or
 - (ii) 10% (ten percent) of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary.

Provided that a subsidiary does not have audited financial statements for a period of at least one

(1) year, shall require prior approval of Audit committee if the transaction exceeds 10% (ten percent) of the aggregate value of paid-up share capital and securities premium account of the subsidiary.

- 5.2.3 Further, only those members of the Committee, who are independent directors, shall approve Related Party Transactions and subsequent Material Modification(s) placed before the Audit Committee.
- 5.2.4 To review the Related Party Transactions, the management to provide and the Audit Committee to review all information, material and follow processes as provided under SEBI Listing Regulations and the Act, as amended or modified from time to time.
- 5.2.5 The Audit Committee will, *inter-alia*, consider the following factors, among others, while considering and according approval(s) to the Related Party Transaction(s), to the extent relevant:
- (a) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party?
 - (b) Whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any?
 - (c) Whether the Related Party Transaction would affect the independence of the

directors/ KMP?

- (d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction?
- (e) Where the ratification of the Related Party Transaction is allowed by law and is sought from the Audit Committee, the reason for not obtaining the prior approval of the Audit Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company?
- (f) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Officer or other Related Party(ies), the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deems relevant?

5.2.6 Decision regarding transaction in an Ordinary Course of Business and on Arm's Length Basis

The Audit Committee or the Board shall, in respect of the Related Party Transactions referred to them for approval, after considering the materials placed before them, determine/judge if the transaction is in an Ordinary Course of Business and/or at Arm's Length Basis. In case the Audit Committee is not able to arrive at such a conclusion, the same shall be referred to the Board, which shall decide if the transaction is in an Ordinary Course of Business and/or at Arm's Length Basis.

5.2.7 Every Related Party Transactions shall be approved at a meeting of the Audit Committee or by resolution by circulation (as may be permissible).

5.2.8 Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

5.3 Omnibus approval for Related Party Transactions by the Audit Committee

5.3.1 The Audit Committee may grant omnibus approval for Related Party Transactions entered / to be entered into by the Company, *inter-alia*, in accordance with this Policy.

5.3.2 The Audit Committee shall specify criteria for granting omnibus approval in line with the Policy, which shall include the following:

- (a) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
- (b) The maximum value per transaction which can be allowed;
- (c) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (d) Review, at such intervals, as the Audit Committee may deem fit, of Related Party Transaction entered into by the Company pursuant to each omnibus approval made; and
- (e) Transactions which cannot be subject to the omnibus approval by the Audit Committee.

5.3.3 The Audit Committee shall consider the following factors while specifying criteria for making omnibus approval, *namely*:

- (a) Repetitiveness of the transactions (in past or in future); and
- (b) Justification for the need of omnibus approval.

5.3.4 The Audit Committee shall satisfy itself regarding need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.

5.3.5 To review an omnibus approval request, the Audit Committee shall be provided with all relevant material information of Related Party Transaction including provisions of SEBI Listing Regulation and the Act, as amended or notified from time to time, *inter-alia*, including but not limited to the following:

- (a) The name(s) of the Related Party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into;
- (b) Basis of arriving at the indicative base price / current contracted price and the formula for variation in the price, if any; and
- (c) Such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transactions cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval, subject to the value not exceeding Rs. 1,00,00,000 (Rupees One Crore Only) per transaction.

5.3.6 The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions transacted into by the Company pursuant to each of the omnibus approval given.

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

5.3.8 The Audit Committee may provide for any other condition it may deem fit for review or approval of any Related Party Transaction.

5.3.9 While assessing a proposal for omnibus approval, the Audit Committee may review such documents / seek further information from the management as they may require to determine and ensure that the transaction is (a) in an Ordinary Course of Business; and (b) on an Arms' Length Basis. In case any Related Party Transaction is either, not in an Ordinary Course of Business or not on an Arms' Length Basis, such transaction cannot be approved by the Audit Committee as an omnibus approval.

5.4 Approval of the Related Party Transactions by the Board of Directors

5.4.1 As per the provisions of section 188 of the Act, all kinds of transactions specified under the said section and which are not in an Ordinary Course of Business and/or not at an Arms' Length Basis, are placed before the Board for its approval.

5.4.2 In addition to above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

- (a) Transactions which may be in the Ordinary Course of Business and at an Arms' Length Basis, but which are as per the Policy determined by the Board from time to time (i.e. threshold value and/or other parameters) require Board approval in addition to the Audit Committee approval;
- (b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the Ordinary Course of Business and on Arms' Length Basis and/or decides to refer the same to the Board for approval;
- (c) Transactions which are in the Ordinary Course of Business and at Arms' Length Basis, but which as per Audit Committee requires approval of the Board;
- (d) Transactions above the materiality threshold laid down in paragraph 4.2 of the Policy, which are intended to be placed before the shareholders of the Company for approval; and

(e) Any other transaction as may be prescribed by the Shareholders from time to time.

5.4.3 Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the Board meeting during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.

5.5 Approval of the shareholders of the Company

5.5.1 All Material Related Party Transactions with Related Parties exceeding the materiality threshold laid down in paragraph 4.2 of the Policy and subsequent Material Modification(s) shall require prior approval of the shareholders and no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transactions or not.

5.5.2 In addition, all kinds of transactions specified under section 188 of the Act which (a) are not at Arms' Length Basis and/or (b) not in the Ordinary Course of Business; and/or (c) exceed thresholds laid down in Companies (Meeting of Board and its Powers) Rules, 2014 including any statutory modification or re-enactment thereof are placed before the shareholders of the Company for their approval.

5.5.3 The period of validity of approval of the shareholders for omnibus of Related Party Transactions shall be as follows:

- (a) Omnibus Material Related Party Transactions approved at annual general meeting ("**AGM**"): shall be valid till the date of the next AGM for a period not exceeding fifteen months; and
- (b) Omnibus Material Related Party Transactions approved at extraordinary general meeting: valid for a period of one year.

5.5.4 The prior approval of the shareholders of the Company shall not be required in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5.5.5 The explanatory statement contained in the notice sent to the shareholders of the Company for seeking their approval for a Related Party Transaction shall provide, *inter alia*, (a) relevant information so as to enable the shareholders to take a view whether the terms and conditions of the proposed Related Party Transaction are not unfavourable to the Company, compared to the terms and conditions had similar transaction been entered into between two unrelated parties;
(b) other relevant information as required under the SEBI Listing Regulation and the Act to enable the shareholders to take an informed decision, as amended or notified from time to time;

5.6 Exclusions

5.6.1 The provisions of paragraphs 5.2, 5.3, 5.4 and 5.5 of this Policy shall not be applicable in the following events:

- (a) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders of the Company at the general meeting for approval; and
- (b) Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders of the Company at the general meeting for approval.

5.7 Whenever threshold for obtaining approval of the Audit Committee, Board or the

shareholders of the Company changes with amendment in the Act or SEBI Listing Regulations or any relaxation is granted in terms of applicability or effective date, then irrespective of what is stated

above, said amendment threshold or relaxations shall become applicable to the Company and the Audit Committee shall be informed for the same.

5.8 Regulatory Exemptions

Transactions or arrangements which are specifically dealt in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be required to be approved under this Policy, including but not limited to the following:

- (a) Payment of remuneration in any form (including sitting fee, commission, ESOPs, other shares based incentive plans etc.) to any Director, Key Managerial Personnel and Senior Management except who is part of promoter or promoter group, provided that the same is not a Material Related Party Transaction;
- (b) CSR Contribution & other charitable contribution as approved by CSR Committee;
- (c) Corporate actions which are uniformly applicable to everyone including related parties;
- (d) Corporate Restructuring such as merger, demergers, capital reductions etc;
- (e) Other transactions or arrangements exempted under the Act and/or SEBI Listing Regulations.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

6.1 In the event that prior approval of the Audit Committee is not obtained in accordance with this policy before entering into a Related Party Transaction, Audit Committee may ratify such Related Party Transaction. The ratification may be granted by Audit Committee, at its discretion, subject to the following terms and conditions being met in such cases:

- (i) Such transaction is presented before the Audit Committee for ratification: (a) within three months from date of such transaction being entered into; or (b) during the immediate next meeting of the Audit Committee, whichever occurs earlier;
- (ii) The total value of such transaction with a Related Party (whether individual or combined) during a financial year does not exceed Indian Rupees one crore
- (iii) Such transaction is not a Material Related Party Transaction according to the provisions of this Policy;
- (iv) Detailed reasoning for failure or inability to seek prior approval for such transaction is provided to the Audit Committee while seeking ratification.

6.2 In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without its approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of such transaction or seeking approval of shareholders, payment of compensation for loss suffered by the Related Party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

7. WHISTLE BLOWER

Any Director, KMP or employee of the Company can access the Whistle Blower or approach the Compliance Officer of the Company to report a non-compliant and/or fraudulent Related Party Transaction entered into by the Company.

8. REVIEW AND AMENDMENT OF THE POLICY

8.1 The Company is committed to continuously review and update the Policy and

procedures at least once every 3 (three) years and, therefore, this Policy is subject to modification. Any amendment or modification of any provision of this Policy must be approved by the Board of

Directors in consideration of the recommendations of the Audit Committee and promptly disclosed on the Company's website.

9. DISCLOSURE

This Policy will be communicated to all relevant employees and other concerned persons of the Company and shall be placed on the website of the Company at www.nexomecap.com. Further, the Company shall make all necessary disclosures in its Annual Report and/or to the stock exchanges, as may be required to be made under applicable laws.

10. LIMITATION

In the event of any amendment or conflict between the Act or SEBI Listing Regulations or other statutory enactments ("**Regulations**") as may be amended from time to time and the provisions of this Policy, the Regulations shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, in this regard, shall automatically apply to this Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.