

**MATERIALITY OF RELATED PARTY
TRANSACTIONS
POLICY**

INTRODUCTION

Optimystix Entertainment India Limited (Formerly Known as Optimystix Entertainment India Private Limited) (the “Company”) has always been committed towards robust and strong corporate governance benchmarking with international practises. As a part of the business activity, OPIL deals with entities which are related parties. Optimystix Entertainment India Limited (Formerly Known as Optimystix Entertainment India Private Limited) recognize that Related Party Transactions (as defined below) may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Optimystix Entertainment India Limited (Formerly Known as Optimystix Entertainment India Private Limited) and its shareholder’s best interest and in compliance to the provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time.

All Related Party Transactions (RPT), as defined in this policy, shall be subject to review in accordance with the procedures set forth below. The Board has determined that the Audit Committee (the “Committee”) is best suited to review all Related Party Transactions.

OBJECTIVES

The Companies Act, 2013, together with the Rules notified thereunder, Regulation 23 of the Listing Regulations, and related circulars, clarifications, guidelines and notifications issued thereunder (together referred to as “the applicable laws”), provide a framework for regulating transactions with Related Parties.

Optimystix Entertainment India Limited (Formerly Known as Optimystix Entertainment India Private Limited) framed this Policy as per the requirements of the applicable laws and shall operate within the boundaries set by the laws. This Policy intends to ensure that the transactions with related parties are undertaken in compliance with the legal requirements and necessary structure for reporting is in place. The Company has been entering into transactions with related parties, for its business purposes from time to time. This Policy encompasses the mechanism to regulate transactions with related parties in a fair and transparent manner.

APPLICABILITY

This policy shall be applicable to the Company and its group companies, in future.

DEFINITIONS

“Company” means Optimystix Entertainment India Limited (Formerly Known as Optimystix Entertainment India Private Limited).

“Act” means the Companies Act, 2013, including the rules, regulations schedules, clarifications and guidelines issued and amended by the Ministry of Corporate Affairs, from time to time.

“Arms’ 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.

“Audit Committee” shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of the Act and Listing Regulations.

“Board” refers to Board of Directors of the Company or any Committee of the Board authorized for the purpose of this Policy.

“Listing Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as may be amended from time to time.

“Material transaction” means a transaction with a Related Party where any transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

“Ordinary Course of Business” means ‘part of doing regular business; the regular or customary condition or course of things; as things usually happen’

“Policy” means this Policy on Materiality of Related Party Transactions, as amended from time to time.

“Related party” with reference to a Company, means

- a. a director or his relative;
- b. a key managerial personnel or his relative;
- c. a firm, in which a director or a manager is a partner;
- d. a private company in which a director or a manager is a member or director;

- e. a public company in which a director or a manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- f. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager. This shall not apply to the advice, directions or instructions given in a professional capacity;
- g. any person on whose advice, directions or instructions a director or manager is accustomed to act. This shall not apply to the advice, directions or instructions given in a professional capacity;
- h. any company which is a
 - holding, subsidiary or an associate company of such company; or
 - a subsidiary of a holding company to which it is also a subsidiary;
- i. an investing company or the venturer of the company i.e. a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate;
- j. any person or entity forming a part of the promoter or promoter group of the listed entity;
- k. any person or any entity, holding equity shares of ten per cent or more.

“Material Modification” means any modification in the original contract or arrangement with a Related Party that would result in an increase of 5% or more on the originally approved transaction value or any modification of other material terms including non- financial terms like credit period, scope of contract etc. which were determined during approval of the contract or arrangement, specifically defined as such by the Audit Committee. In case a modification is required pursuant to amendment to the applicable laws, it shall not be regarded as a material modification.

“Related Party Transactions” means the transactions as specified in Section 188 of the Act and in Regulation 2 (zc) of Listing Regulations. This covers any contract or arrangement with a related party with respect to

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the company.
- (h) A transaction involving a transfer of resources, services or obligations between
 - 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
 - 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, with effect from April 1, 2023;

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:

EXEMPTION FROM COVERAGE OF RELATED PARTY TRANSACTIONS

- The 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;
- the following corporate actions by the listed entity 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.
- acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);

PROCEDURE FOR IDENTIFICATION OF RELATED PARTIES

- a. Company shall identify & keep on record related parties as per Applicable Law.
- b. Company shall obtain, on a quarterly basis, disclosure of related parties from its Directors/ Key Managerial Personnel. The list of related parties maintained by Company would be based on disclosures received by it from Directors/ Key Managerial Personnel and other concerned entities/ individuals.
- c. Each subsidiary company of Company shall furnish an updated list of its related parties to Company on a quarterly basis.
- d. Company shall update the list of its related parties whenever necessary, which shall be reviewed at least once a quarter.
- e. Any subsequent change in the list of related party to be disclosure within 30days.

PROCEDURE FOR APPROVAL AND REVIEW OF RELATED PARTY TRANSACTIONS

Approval of Audit Committee

- All Related Party Transactions and Material modifications thereto require the prior approval of the Audit Committee in accordance with the approval matrix mentioned in this Policy, provided however, any other modifications to transactions entered into by company with its related parties will require the approval of the Audit Committee notwithstanding that such modification is a Material modification.
- All relevant facts pertaining to a Related Party Transaction, including but not limited to, name of the related party, nature of relationship and value of transaction, shall be placed before the Audit Committee along with such other details as prescribed under Applicable Law from time to time or otherwise relevant or important for the Audit Committee to take a decision on the proposed Related Party Transaction.
- Audit Committee shall be entitled to call for such additional information/ documents in order to understand the scope of the proposed Related Party Transaction(s) and recommend an effective control system for the verification of the supporting documents.
- In determining whether approval can be accorded to a Related Party Transaction, the Audit Committee may consider the following and any other relevant factors as prescribed under Applicable Laws from time to time:
 - a. whether the Related Party Transaction is in the ordinary course of business of Company;
 - b. whether the terms of the Related Party Transaction is on arm's length basis;
 - c. whether there are any adequate reasons of business expediency for company to enter into the Related Party Transaction, after comparing alternatives available, if any;
 - d. whether there is any potential reputation / regulatory risks that may arise as a result of or in connection with the proposed Related Party Transaction; and

- e. whether the Related Party Transaction would affect the independence or 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 Related Party, the direct or indirect nature of interest of the Related Party in the transaction and such other factors as the Audit Committee deems relevant.
- If the Audit Committee determines that a Related Party Transaction should be brought before the Board of Directors, or if the Board in any case chooses to review any such matter or it is mandatory under any Applicable Law or required under this Policy for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review and approval of the Related Party Transaction, with such modification as may be considered necessary or appropriate by the Board under the circumstances.
- No member of the Audit Committee/ Board shall participate in the review or approval of any Related Party Transaction in which such member is interested.
- The Audit Committee may grant an omnibus approval for related party transactions which shall be valid for a period of 1 year. The conditions for according omnibus approvals will be as follows:
 - a. The Related Party Transactions are repetitive in nature or foreseeable and are in the interest of Company;
 - b. The Related Party Transactions under the omnibus approval route shall be reported to the Audit Committee on a quarterly basis for its noting.
 - c. Where the need for Related Party Transactions cannot be foreseen and the details thereof are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 100 crore of turnover as per the latest audited financial results. Such transactions shall also be reported to the Audit and Governance Committee on a quarterly basis for its noting.

- Notwithstanding the generality of foregoing, Audit Committee shall not grant omnibus approval for following transactions
 - a. Transactions which are not in ordinary course of business or not on arm's length and covered under Section 188(1) of the Act;
 - b. Transactions in respect of selling or disposal of an company undertaking;
 - c. Transactions which are not in the interest of company;
 - d. Other transactions specified under Applicable Law from time to time.
- Exceptions stipulated under Applicable Laws for Related Party Transactions shall be exempted from the scope of this Policy unless the Audit Committee/ Board of Directors of the Company decide otherwise.

Approval of Shareholders

- All material Related Party Transactions and Material modifications thereto require the prior approval of the Shareholders of the Company in accordance with this Policy and Applicable Laws.
- The Audit Committee and Board of Directors of the Company shall approve all material Related Party Transactions before recommending the same for approval of the Shareholders.
- None of the related parties of the Company, whether or not such related party(ies) is a party to the Related Party Transactions, shall vote to approve material Related Party Transactions, unless permitted under Applicable Law.

General

- Nothing in this Policy shall override any provisions of Applicable Law made in respect of any matter stated in this Policy and in case of conflict between the provisions of Applicable Law and this Policy, the provisions of Applicable Law shall prevail.
- The Board of Directors of the Company shall, on an annual basis, review consolidated list of transactions with related parties.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders of the Company as required under applicable law. In case the Company is not able to take such prior approval a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval; the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent and if it is not ratified by Audit Committee or Board or 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 and the directors concerned shall indemnify the company against any loss incurred by it.

POLICY REVIEW

In case of any subsequent changes in the provisions of the Listing Regulations or the Act, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board as and when any changes are to be incorporated \or at least once in every three years and updated accordingly.

DISCLOSURE ON WEBSITE

A copy of the policy including amendments thereto shall be hosted on the website of the Company.