

Related Party Transaction Policy

I. Scope of the Policy:

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. Considering the requirements for approval of related party transactions as prescribed under Section 188 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("SEBI LODR"), CapitalNumbers Infotech Limited ('Company') has formulated a Policy on identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, CapitalNumbers Infotech Limited has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendation of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to adoption by the Board.

II. Objective:

The objective of this Policy is to set out (a) the basis of identifying related parties of the Company as well as related party transactions, (b) the materiality thresholds for related party transactions and (c) the manner of entering into transactions between the Company and its related parties based on the Act read with the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

III. Definitions:

- i. **"The Act"** means the Companies Act, 2013, together with the Rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as "Act").
- ii. **"Accounting Standards"** means the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.
- iii. **"Associate Company"** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
- iv. **"Audit Committee"** means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.
- v. **"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.
- vi. **"Board"** means Board of Directors of the Company.
- vii. **"Company"** means CapitalNumbers Infotech Limited.



Registered Office

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India



- viii. **“Industry Standards”** shall mean the industry standards on “Minimum Information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transactions” as notified by SEBI vide its circular dated June 26, 2025.
- ix. **“Key Managerial Personnel”** or **“KMP”** means:
- The Chief Executive Officer (CEO) or the Managing Director or the Manager as defined under the Act;
 - The Company Secretary;
 - The Whole- time director;
 - The Chief Financial Officer (CFO);
 - Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - Such other officer as may be prescribed.
- x. **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- xi. **“Related Party”** shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.
- xii. **“Related Party Transaction”** have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:
- the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
 - the Company 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 Company 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, including but not limited to the following –
- sale, purchase or supply of any goods or materials;
 - selling or otherwise disposing of, or buying, property of any kind;
 - leasing of property of any kind;
 - availing or rendering of any services;
 - appointment of any agent for purchase or sale of goods, materials, services or property;
 - appointment to any office or place of profit in the Company, its subsidiary or associate company;
 - underwriting the subscription of any securities or derivatives thereof, of the Company.
- Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:
- 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.
 - corporate actions which are uniformly applicable/offered to shareholders in proportion to their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.

Registered Office

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India



(c) retail purchases from CapitalNumbers Infotech Limited or any of its subsidiaries by its directors or key managerial personnel or its subsidiary, and relatives of such directors or key managerial personnel, without establishing any 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.

Further, remuneration and sitting fees paid by CapitalNumbers Infotech Limited or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

- xiii. **“Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as “SEBI LODR Regulations”).
- xiv. **“Material Related Party Transaction”** means a transaction with a related party, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations which is provided below:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

With effect from April 01, 2025, in case of a listed entity which has listed its specified securities on the SME Exchange, 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 Rupees fifty crore 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.

In case of transaction involving payment made to a related party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

- xiv. **Policy”** means Policy on Related Party Transactions.

**Registered Office**

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India



- xv. “**Transactions in the ordinary course of business**” mean transactions/activities that are connected to or necessary for the business of the Company and satisfy the following principles:
- The transaction/activity is permitted under the Memorandum and the Articles of Association of the Company;
 - The transaction/activity is carried on a frequent or regular basis or is as per the industry practise and
 - The terms of the transaction/activity are similar to those which would be otherwise applicable to transactions with unrelated parties.

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

IV. Policy:

All Related Party Transactions must be identified and reported to the Audit Committee and also to Board of Directors and shareholders, wherever necessary, for their approval.

A. Identification of Related Party:

Each director and Key Managerial Personal is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “related Party” by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

B. Identification of Potential Related Party Transaction:

- Each Director and Key Managerial Personnel is responsible for providing notice to the Board/Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.
- The notice of any potential Related Party Transaction shall be given well in advance to the Board/ Audit Committee and shall also contain adequate information about the Related Party transaction(s). This will provide the Board/Audit Committee members adequate time and information to consider and review the proposed transaction(s).

C. Procedure for Approval of Related Party Transaction:

A. Transactions requiring approval of Audit Committee:

- All Related Party Transactions shall require prior approval of the Audit Committee.
- A prior approval of the Audit Committee shall be required for all Related Party Transactions except for the following:
 - Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
 - Transactions entered into between the Company and its wholly owned subsidiary/(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company for approval (“WOS Transactions”).

Registered Office

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India



Provided that any of the above Related Party Transaction which is not in the ordinary course of business or not at arm's length shall require a prior approval of the Audit Committee.

c) Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

d) Remuneration and sitting fees paid by CapitalNumbers Infotech Limited or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23(1) of the Listing Regulations.

Omnibus Approval

3. The Audit Committee may also grant omnibus approval for the Related Party Transactions proposed to be entered into by the Company, which are routine and repetitive in nature, if the transactions satisfy the following conditions:

- i. Such Related Party transactions are repetitive in nature.
- ii. Specific need of such omnibus approval i.e. the transactions are in the best interest of the Company.

4. The omnibus approval shall specify (a) the name/s of the Related Party, (b) nature of transaction, (c) duration/period of transaction, (d) maximum amount of transaction that can be entered into, (e) the indicative base price / current contracted price and the formula for variation in the price, if any and (f) such other conditions as the Audit Committee may deem fit.

5. Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.

6. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

7. In case the Committee does not approve any transaction, then it shall make its recommendations to the Board.

8. In case any member of the Committee is interested in any potential Related Party Transaction, no related party shall vote to approve such resolution when such transaction is being considered.

A. Transactions requiring approval of Board:

The following related party transactions shall be subject to prior approval of the Board:

- i. Related Party Transactions which are not in the ordinary course of business or not executed at an arm's length price.
- ii. Transactions which are not approved by the Audit Committee or in the opinion of the Audit Committee need special consideration / determination by the Board, may be recommended to the Board for its approval.
- iii. Where any director is concerned or interested in any potential Related Party Transaction, such director shall abstain from discussion and voting when such transaction is being considered.
- iv. Material Related Party Transactions.
- v. Where it is mandatory under any law for Board to approve the Related Party Transactions.

Registered Office

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India



B. Transactions requiring approval of Shareholders of the Company:

The following Related Party Transactions shall be subject to prior approval of shareholders of the company by way of a resolution:

- i. All Material Related Party Transactions and subsequent material modifications shall require approval of the Shareholders of the Company by way of a resolution passed at the general meeting of the Company; and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- ii. All Related Party Transactions which are not in the ordinary course of business or not at arm's length basis, exceeding the threshold limits as may be prescribed under the Companies Act, 2013 and the Rules made thereunder.
- iii. Approval of Shareholders of the Company shall not be required for transactions entered into with wholly owned subsidiaries whose accounts are consolidated with the Company.
- iv. No Related Party shall vote to approve such resolution whether the entity is Related Party to the particular transaction or not.

C. Deemed Approval:

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant committee shall be deemed to be approved under this Policy. Such transactions are enumerated below:

- a. Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;
- b. Payment of remuneration, fees, commission, etc. to directors pursuant to approval of the Nomination and Remuneration Committee;
- c. Payments made to/received from Directors or Key Managerial Personnel pursuant to share based incentive plans as approved by shareholders.
- d. Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.
- e. Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

D. Disclosures & Reporting:

- i. This Policy shall be disclosed on the website of the Company and a web link to the policy shall be provided in the Annual Report.
- ii. The details of Related Party Transactions shall be disclosed in the Annual report of the Company, to the Stock Exchanges and other regulatory bodies as per the provisions of Indian Accounting Standards, the Act, SEBI LODR or any other applicable laws and regulations.

**Registered Office**

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India



E. Review and amendments:

- i. The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and at least once in three years and appropriate recommendations shall be made by the Audit Committee to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.
- ii. The Company Secretary and Chief Financial Officer are severally authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or SEBI w.r.t. Related Party Transactions from time to time. Such amended policy shall be periodically placed before the Audit Committee for noting and ratification.

CapitalNumbers Infotech Ltd.



Managing Director & CEO

Registered Office

Mani Casadona IT Building, 8th Floor, 8E4,
East Tower, Action Area #2F, New Town
Kolkata, 700156, West Bengal, India

