

# WINRO COMMERCIAL (INDIA) LIMITED

## Policy On Materiality Of Related Party Transactions And Dealing With Related Party Transactions

The Board of Directors (the “Board”) of Winro Commercial (India) Limited (“WCIL” or “the Company”), based on recommendations of the Audit Committee, has adopted the Policy on materiality of Related Party Transactions and dealing with Related Party Transactions (the “Policy”) in terms of the requirements of Companies Act, 2013 (“Act”) read with the Rules framed thereunder and Clause 49 of the Equity Listing Agreement (“Clause 49”).

### PURPOSE

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

### A) DEFINITIONS

“**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.

“**Audit Committee**” means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing Agreement and the Companies Act, 2013.

“**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.

Explanation: - significant influence means control of at least 20% of total share capital or of business decision under an agreement.

“**Board**” means the Board of Directors of Winro Commercial (India) Limited.

“**Company**” means Winro Commercial (India) Limited.

**“Key Managerial Personnel (KMP)”** means key managerial personnel as defined under the Companies Act, 2013, viz

- i. the Chief Executive Officer or the Managing Director or the or the manager
- ii. the Company Secretary ;
- iii. the Whole-time Director; and
- iv. the Chief Financial Officer

**“Material Related Party Transaction”** means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds the thresholds as defined under the Companies Act, 2013 or Clause 49 of the Listing Agreement.

**“Policy”** means this Policy, as amended from time to time.

**“Related Party”** in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 or Clause 49 of the Listing Agreement as amended from time to time and includes the following:

- i. a director or his relative;
- ii. a Key Managerial Personnel or his relative
- iii. a firm, in which a director, manager or his relative is a partner
- iv. a private company in which a director or manager or his relative is a member or director;
- v. a public company in which a director or manager is a director and holds, along with his relatives, more than 2% of its paid-up share capital
- vi. anybody 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
- vii. any person on whose advice, directions or instructions a director or manager is accustomed to act
- viii. any company which is-
  - a. a holding, subsidiary or an associate company of such company; or
  - b. a subsidiary or an associate of a holding company to which it is also a subsidiary or an associate
- ix. a director or key managerial person of the holding company or his relative; and
- x. an entity is a related party under the applicable accounting standards.

**“Related Party Transaction”** means any transaction directly/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.

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

- a. they are members of a Hindu Undivided Family
- b. they are husband and wife ; or
- c. Father (including step-father)
- d. Mother (including step-mother)
- e. Son (including step-son)
- f. Son’s wife
- g. Daughter
- h. Daughter’s husband
- i. Brother (including step-brother)
- j. Sister (including step-sister)

## **B) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS:**

### **1. Identification Of Potential Related Party Transactions**

Every Director, Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee, of any potential Related Party Transaction involving him/her or his/her relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

All Directors are required to declare and disclose their concerns or interests in any company or companies or bodies corporate at the first Board meeting in every financial year and subsequently whenever there is any change in disclosures. In addition, the Directors shall ensure that any business transactions entered into between the company and themselves comply with the terms of this Policy.

The Company prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

### **2. Review And Approval Of Related Party Transactions**

The Audit Committee is required to approve only related party transactions which are at arm’s length and in ordinary course of business.

Transactions with related parties which are in ordinary course of business of the Company and at arm’s length shall be periodically disclosed to the Audit Committee/Board of Directors.

However, in case, there are any transactions which are not at arm's length or which are concluded to be not in ordinary course of business, the Company would need the following additional approvals as mentioned hereunder:

1. In case of transactions which are 'material' in nature and/or not in the ordinary course of business or not at arm's length, the management shall present the following information to the Audit Committee/Board of Directors for approval of those Related Party Transactions as per the provisions of the Companies Act, 2013:
  - a. name of the related party and nature of relationship
  - b. the nature, duration of the contract and particulars of the contract or arrangement;
  - c. the material terms of the contract or arrangement including the value, if any;
  - d. any advance paid or received for the contract or arrangement including the value, if any;
  - e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as of the contract;
  - f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
  - g. any other information relevant or important for the Board to take a decision on the proposed transaction.

After reviewing such information, the members of the Audit Committee (without the participation of the interested Committee member(s), if any) shall approve or disapprove such transactions.

If the Board in any case elects to review any such matter or it is mandatory under any law for the Board to approve any Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

The Company shall also seek prior approval of shareholders (where the concerned related party shall not vote on such a resolution) for all Material Related Party Transactions and/or for such related party transactions whose value exceeds the limits as prescribed under the Companies Act, 2013 and the rules made there under and limits prescribed under the Listing Agreement.

2. The Audit Committee may grant omnibus approval for such Related Party Transactions which are unforeseen and repetitive in nature provided, the validity of such transactions is upto one year and the value does not exceed Rs. 1 crore per transaction.
3. If any material information with respect to any approved transaction has changed, the management shall provide the updated information to the Committee.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or shareholders:

- i. Any transaction that involves paying of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by Company and all holders of such securities receive benefits pro rata as the Related Party.

### **3. Related Party Transactions Not Approved Under This Policy**

In the event the Company becomes aware of any transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction (including reasons of failure to report such transaction) and evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

### **4. Disclosures**

The Company shall make the following disclosures:

- a. The particulars of the contract and arrangement entered into under section 188 (1) along with the justification for entering into such contracts/arrangements with the Related Parties shall be made in the Director's Report in the format as prescribed under the Act and rules made there under which forms a part of the Company's Annual Report.
- b. This Policy shall also be uploaded on the website of the Company.
- c. Quarterly/Periodical update to the Audit Committee on all the related party transactions entered into by the Company.

### **C) POLICY REVIEW**

The Audit Committee may review this policy from time to time and recommend any changes to the Board for approval.