

Policy on Material Related Party Transactions

1. Background

This policy is framed pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“LODR”). The said Regulation mandates every Listed Company to formulate a Policy on dealing with the Material Related Party Transactions and shall apply to all the transactions entered into by the Company with its Related Parties as per the applicable laws and regulations, including the Companies Act, 2013 (the “Companies Act”) read with the rules framed thereunder.

2. Definitions

- i. “Act”** means the Companies Act, 2013 and the rules made there under, as amended from time to time;
- ii. “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;
- iii. “Ordinary course of business”** means the usual transactions undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association;
- iv. “Company”** shall mean Walchand PeopleFirst Limited;
- v. “Board”** shall mean Board of Directors of the Company;
- vi. “Audit Committee or Committee”** shall mean Committee of Board of Directors of the Company constituted in accordance with provisions of the Listing Regulations and the Companies Act, 2013;
- vii. “Related Party”** shall have the same meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
- viii. “Relative”** shall have the same meaning as defined in Section 2(77) of Companies Act, 2013 and Regulation 2(1) (zd) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
- ix. “Related Party Transaction”** means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- x. “Material Related Party Transaction”** means a transaction to be entered into with the Related Party 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 of the Company, whichever is lower.”

- xi. “**Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof.
- xii. “**Subsequent Material Modification**” means a modification to the Material Related Party Transaction which affects the value of the transaction to the extent of 5% of the aggregate sum of Material Related Party Transaction which was approved by the shareholders.

3. **Procedure for approval of Material Related Party Transaction**

i. **Approval of the Audit Committee:**

- a. All the related party transactions *and subsequent material modifications* by the Company shall require prior approval of the Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.
- b. However, the Company may obtain an omnibus approval from the Audit Committee for such transactions, subject to compliances with the conditions as specified in Section 188 of Companies Act, 2013 read with the relevant rules made thereunder and the provisions of Regulation 23 of the Regulations.
- c. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

ii. **Approval of the Board of Directors:**

As per the provisions of Section 188 of the Companies Act, 2013, all the Related Party Transactions which are not in the ordinary course of business or not at arm’s length basis, are required to be placed before the Board for its approval.

iii. **Approval of the Shareholders of the Company:**

All the material related party transactions exceeding the materiality thresholds and all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm’s Length or not in the ordinary course of business and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014, are required to be placed before the shareholders for their *prior* approval.

For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not. (Effective till 31st March 2022)

Furthermore, any subsequent material modifications to the material related party transactions shall also require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

iv. Disclosure of Related Party Transactions

- a. The Company shall submit to the Stock Exchanges disclosures of Related Party Transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2021, in the format as specified by the Securities and Exchange Board of India from time to time, and publish the same on Company's website.
- b. Particulars of contracts or arrangements with Related Parties referred to in sub Section (1) of Section 188 shall be disclosed in the Directors Report pursuant to any statutory requirement, if any.

4. Amendment:

This policy shall be subject to review by the Board of Directors from time to time. The amendment to this policy shall be subject to the recommendations by the Audit Committee and approved by the Board of Directors. Any subsequent amendment / modification in the Regulations shall automatically apply to this Policy.