



WE P SOLUTIONS LIMITED

RELATED PARTY TRANSACTION POLICY

(As per Section 188 – Related Party Transactions: Companies Act 2013
and
Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations 2015 as amended

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Company's existing policy approved by the Board of Directors on 13th November 2014 for determining the Related Party Transactions is replaced by this policy in order to make it more aligned with the recent amendment(s) pursuant to The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Companies Act 2013 as amended.

- ♣ Document Title – Related Party Transaction Policy.
- ♣ Originally Framed – 13th November 2014.
- ♣ Current Revision Effective Date – 1st April 2019.
- ♣ Approving Authority – Board of Directors.
- ♣ Date of Approval of the Revised Policy – 25th May 2019.

1. Introduction and Scope of Policy

The Board of Directors (the “Board”) of WeP Solutions Limited (the “Company”) has adopted the following policy and procedures with regard to Related Party Transactions (hereinafter referred as “RPT”) that the Company may enter into from time to time, in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made thereunder (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) and any amendments thereto.

The Board of Directors will review and amend this policy from time-to-time as and when necessary or required. The Audit Committee/Board/General Meeting, as applicable shall, subject to requirements of the Act, the Regulations and this Policy review, approve and ratify (if permissible) the RPTs in terms of the requirement of this Policy.

This Policy is intended to ensure proper approval and reporting of RPTs as applicable, between the Company and related party(ies) in the best interest of the Company and its Stakeholders.

2. Definitions

- i. **‘Audit Committee’** means Committee constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.
- ii. **‘Board’** means Board of Directors of the Company.
- iii. **‘Companies Act, 2013’** means the Companies Act, 2013 read with the Rules framed thereunder including any modification(s) / amendment(s) / re-enactment(s) thereof.
- iv. **‘Listing Regulations’** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- v. **‘Key Managerial Personnel’** as defined under the Companies Act, 2013 means:
 - a) the Chairman and Managing Director;
 - b) the Company Secretary (CS);
 - c) the Whole- time Director (WTD);
 - d) the Chief Financial Officer (CFO);
 - e) 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
 - f) such other officer as may be prescribed.
- vi. **‘Policy’** means this Related Party Transaction Policy.
- vii. **‘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.

viii. **‘Ordinary course of business’** means the 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 Memorandum 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.

ix. **‘Subsidiary Company’** shall have the same meaning as specified under Section 2(87) of The Companies Act, 2013.

x. **‘Wholly Owned Subsidiary’** - When a company holds 100% of Shares of another company, the other company be called as a Wholly Owned Subsidiary of the company who has made 100% investment in it.

xii. **‘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.

xiii. **‘Significant Influence’** means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement.

xiv. **‘Joint Venture’** means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the Net assets of the arrangement.

xv. **“Related Party”**

a. Under the Companies Act, 2013

Related Party means, with reference to a company:

- i) A director or his relative;
- ii) Key Managerial Personnel or his/ her 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 relatives 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) A 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, except when such advice is given in a professional capacity;

vii) Any person on whose advice, directions or instructions a director or manager is accustomed to act, except when such advice is given in a professional capacity;

viii) Any body corporate which is—

- (a) a holding, subsidiary or an associate company of such company;
- (b) a subsidiary of a holding company to which it is also a subsidiary; or
- (c) an investing company or the venturer of the company;

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

ix) A director, other than an independent director, or Key Managerial Personnel of the Holding Company or his relative with reference to a company, shall be deemed to be a Related Party.

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

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife; or
- iii. One person is related to another in the following manner, namely:
 - (a) Father (including step-father)
 - (b) Mother (including step-mother)
 - (c) Son (including step-son)
 - (d) Son’s wife
 - (e) Daughter
 - (f) Daughter’s husband
 - (g) Brother (including step-brother)
 - (h) Sister (including step-sister)

b. As per Listing Regulations

“**Related Party**” means a related party as defined under Sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

c. As per Indian Accounting Standard (Ind AS) 24

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

xvi. 'Related Party Transactions'

a. Under the Companies Act, 2013

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to :

- i) sale, purchase or supply of any goods or materials;
- ii) selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;
- vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

Explanation:

The expression "office or place of profit" means any office or place—

(i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

vii) Underwriting the subscription of any securities or derivatives thereof of the Company.

No contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a resolution.

The requirement of passing the resolution shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

b. As per Listing Regulations

A related party transaction is a transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged. A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

xvii. "Material Related Party Transactions" -

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 ten percent of**

the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The current threshold limits for approval of RPTs by the Audit Committee or the Board or Shareholders in General Meeting, as applicable, have been set out as below. Such limits shall stand automatically modified/amended as and when such limits are amended under the Act and/or the Regulations and shall accordingly be deemed to be incorporated in this Policy by reference.

a. Under the Companies Act, 2013

Approval by the Audit Committee	All RPTs shall require approval of the Audit Committee.	
Approval by the Board	The following RPTs which are not in the ordinary course of business and not on an arm's length basis shall require approval of the Board at the Meeting: a. Sale, purchase or supply of goods, materials directly or through appointment of agents b. Selling or otherwise disposing of, or buying, property of any kind or through appointment of agents c. Leasing of property of any kind d. Availing any services directly or through appointment of agents e. Appointment of any office or place of profit in Company/its subsidiary or associate company f. Underwriting the subscription of any securities or derivatives thereof	
Approval by the Shareholders	a. If RPTs, individually or taken together with previous RPTs during a financial year, exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company.	
	b. RPTs fall under the categories which are not in ordinary course of business and on an arm's length basis and exceed the prescribed limits:	
	Sale, purchase or supply of goods, materials directly or through appointment of agents.	Exceeding 10% of annual turnover or Rs. 100 Crores. (whichever is lower)#
	Selling or otherwise disposing of, or buying, property of any kind or through appointment of agents.	Exceeding 10% Net Worth Or Rs. 100 Crores. (whichever is lower)#
	Leasing of property of any kind.	Exceeding 10% of Net Worth or 10% of turnover or Rs.100 Crores. (whichever is lower)#

	Availing any services directly or through appointment of agents.	Exceeding 10% of turnover or Rs.50 Crores. (whichever is lower)#
	Appointment of any office or place of profit in Company/its subsidiary or associate company.	At monthly remuneration exceeding Rs.2.5 lacs
	Underwriting the subscription of any securities or derivatives thereof	Remuneration exceeding 1% of the Net Worth
	# Annual Turnover and Net Worth referred above is computed as per audited Financial Statement for the preceding financial year.	

b. As per Listing Regulations

A Related Party Transaction shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.**

Notwithstanding the above, effective 1st July 2019 - 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 two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3. Policy and Procedure

a. Policy

All Related Party Transactions shall require prior approval of Audit Committee. All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

b. Procedure

A. Disclosure by Directors

Every Director shall at the beginning of the Financial Year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy.

Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

B. Identification of Transaction with Related Parties

Each Director and Key Managerial Personnel is responsible for providing notice to the Company or 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. Audit Committee will determine whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. Any change in the list of relatives shall be intimated by the Directors and Key Managerial Personnel from time to time, as may be required.

The Company strongly 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.

C. Review and Approval of Related Party Transactions

i. Audit Committee

Related Party transactions are regularly referred to the scheduled meeting of Audit Committee for review and approval. Any member of the Committee or the Directors of the Board who has potential interest in any Related Party Transaction shall not participate / abstain from discussions / voting on the subject matter involving approval of Related Party Transaction.

All the transactions which are identified by the Audit Committee as related party transactions should be pre-approved by the Audit Committee before entering into such transaction.

The Audit committee shall consider the following factors while deliberating the related party transactions for its approval:

- a) Name of related party and details explaining nature of relationship;
- b) Duration of the contract and particulars of the contract and arrangement;
- c) Nature of transaction and material terms thereof including the value, if any;
- d) Manner of determining the pricing to ascertain whether the same is on arm's length;
- e) Business rationale for entering into such transaction;
- f) Any other information relevant or important for the Board to take a decision on the proposed transactions.

- g) Whether the Related Party Transactions would affect the Independence of an Independent Director;
- h) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre- approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company;

Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction. If the Committee determines that the related party transaction is

(i) A Material related party transaction; or

(ii) Transactions are not in the ordinary course of business or not at the arm's length price, the Audit Committee shall place the matter before the Board for obtaining its approval.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions

a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such Omnibus approval shall specify:

(i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,

(ii) The indicative base price / current contracted price and the formula for variation in the price if any and

(iii) Such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, **Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 Crore (Rupee One Crore) per transaction.**

d) Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

e) Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year.

ii. Board of Directors

The RPTs which are not in the ordinary course of business and not on an arm's length basis shall require approval of the Board at the Meeting. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transactions

iii. Shareholders Approval

In case Board refers a Related Party Transaction for seeking approval of the Shareholders as per the provisions of Companies Act 2013 or otherwise, if any member of Company is a related party as per this policy, such member of the Company shall not vote on resolution passed for approving such related party transaction.

iv. Transactions which do not require approval

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

(a) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

(b) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

v. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction, to the extent permissible under the law. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

4. Disclosures and Registers

❖ The Company is required to disclose annually RPTs in the Board's Report to be circulated to the shareholders of the Company in accordance with the Act and Rules made thereunder.

- ❖ The Company shall keep and maintain a register either physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of Directors.
- ❖ The Company shall disclose the policy on dealing with Related Party Transactions on its website www.wepsolutions.co.in .
- ❖ The Company shall submit within 30 days from the date of publication of its Standalone Financial Results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on the Company's website.
- ❖ Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, 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 at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

5. Amendments

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

This policy (including the thresholds) shall be reviewed by the Board of Directors at least once in three years and/or as and when required and updated accordingly.

Nothing in this policy shall override any provisions of law made in respect of any matter stated in this policy.

In case of any difficulty or doubt arises in the interpretation of this policy, the decision of the Chairman of the Audit Committee shall be final.