

RELATED PARTY TRANSACTION POLICY

OF

WOOLWAYS (INDIA) LIMITED

(U/s 188 of the Companies Act, 2013 and Clause 49 (VII) of the Amended Listing Agreement)

PREAMBLE:

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that RPTs can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company.

The Board of Directors (the “Board”) of Woolways (India) Limited (the “Company” or “WIL”) adopts the following policy and procedures with regard to Related Party Transactions (RPTs) as defined below in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made there under including any subsequent amendments thereto (the “Act”) and Clause 49(VII) of the Amended Listing Agreement in order to ensure the transparency and procedural fairness of such transactions.

OBJECTIVE:

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders. Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of RPTs, in terms of the applicable laws.

DEFINITIONS:

”Related Party Transaction (RPT)” is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and will include following specific transactions:

- 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;
(Section 188(1) of the Companies Act, 2013 and Clause 49 (VII) (A) of the Listing Agreement)

"Related Party" - An entity shall be considered as related to the company if:-

1. Such entity is a related party under Section 2(76) of the Companies Act, 2013;
2. Such entity is a related party under applicable Accounting Standards.

"Material Related Party Transactions" - Transaction with a Related Party shall be considered material if transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of annual consolidated turnover of the Company. (Clause 49 (VII) (C) of Listing Agreement)

"Relative" - with reference to any person, means 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 the other 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

The terms used in this Policy unless defined, wherever context so require, shall have the same meaning as prescribed under the Companies Act, 2013 and Clause 49 of the Amended Listing Agreement.

PROCEDURES:

Audit Committee

All RPTs shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the company subject to the following conditions: (Clause 49(VII) (D) of the Listing Agreement)

1. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPTs of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
2. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
3. Such omnibus approval shall specify-
 - a) the name/s of the related party,
 - b) nature of transaction
 - c) period of transaction
 - d) maximum amount of transaction that can be entered into
 - e) such other conditions as the Audit Committee may deem fit

Provided that where the need for RPT 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 per transaction.

- a) The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- b) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The RPTs which are not in the ordinary course of business and not at arm's length will be reviewed by the Audit Committee and then recommended to the Board of Directors.

If a RPT is ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee shall periodically review and assess ongoing relationships with the Related Party.

The Committee will review the material facts of all RPTs and may approve or disapprove entering into such RPTs.

The Audit Committee shall have the authority to approve in advance categories of RPTs that need not be individually reported to, reviewed by, and/or approved or ratified by the Audit Committee but may instead be reported to and reviewed by the Audit Committee collectively on a periodic basis, which shall be at least quarterly.

A RPT entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Committee 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 Committee may decide to get advice, certification, study report, rely upon certification issued as per the requirement of other laws etc. from a professional (includes statutory/internal Auditors) or technical person including price discovery process, to review transactions with Related Party.

Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the RPT. However, the Chairman of the Committee may allow participation of such member in some or all of the Committee's discussions of the RPT.

Board of Directors

All RPTs, not done at arm's length distance, falling within the limits of section 188(1) will require prior approval of the Board of Directors at its meeting.

The Board of Directors shall review and recommend all transactions in terms of section 188(1) requiring prior approval of the shareholders in terms of section before the same is placed for shareholders' approval.

The Board of Directors shall review and approve all material transactions in terms of Clause 49(VII)(E) of the Listing Agreement and recommend for approval for the shareholders.

The Board of Directors shall annually review, the details of all RPTs, including the terms of the transaction, the business purpose of the transaction and the benefits to the Company and to the relevant Related Party.

The Agenda of the Board meeting at which the resolution is proposed to be moved shall disclose:-

- a) The Name of the Related Party and nature of relationship;
- b) The nature, duration 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, if any;
- e) The manner of determining the pricing and other commercial terms.
- 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.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement. *(Rule 15(2) of the Companies (Meetings of Boards and its Powers) Rules, 2014*

4.2.7 Each of the Company's Directors and Senior Management personnel are instructed to inform the Company Secretary of any potential RPTs.

Approval of shareholders:

The contracts or agreements with any Related Party which are not in the ordinary course of business and not at arm's length in respect of transactions specified in Section 188(1) of the Companies Act, 2013, will require prior approval of the shareholders by a special resolution subject to limits mentioned in *Rule 15(3) of the Companies (Meetings of Boards and its Powers) Rules, 2014*.

All material RPTs in terms of Clause 49(VII) (C) and (E) of the Listing Agreement will require shareholders' approval.

The explanatory statement to be annexed to the notice of general meeting in this regards will contain following particulars:

- i. name of the related party;
- ii. name of the director or key managerial personnel who is related, if any;
- iii. nature of relationship;
- iv. nature, material terms, monetary value and particulars of the contract or arrangement;
- v. any other information relevant or important for the members to take a decision on the proposed resolution.

(Rule 15(3) of the Companies (Meetings of Boards and its Powers) Rules, 2014)

DISCLOSURE:

Each director who is, directly or indirectly, concerned or interested in any way in any transaction with the Related Party shall disclose all material information and the nature of his interest in the transaction to the Committee or Board of Directors.

All RPTs that are required to be disclosed in the Company's filings with the Stock Exchanges, as required by the Listing Agreement. The Policy shall be disclosed on the Company's website as required by applicable laws, rules and regulations.

REVIEW OF POLICY:

The Audit Committee will periodically review this Policy and may recommend amendments to this Policy as it deems appropriate.

AMENDMENTS:

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over the policy until such time as this policy is amended to conform to the law, rule, regulation or standard.

IMPLEMENTATION:

The policy will be implemented by the management of the Company from the date it is approved by the Board. All RPT entered prior to the date of approval of this Policy shall be subject to review by the Audit Committee