

VISHWAS REFOILS & CONSUMER LIMITED

CIN: U10403GJ2023PLC139329

Policy on Related Party Transactions

(Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Registered Office: Plot No. 12 & 13, Survey No. 112/1, Ruda Transport Nagar,
Anandpar, Navagam Behind Saat Hanuman Temple, Ahmedabad Highway,
Rajkot-360003, Gujarat (India)

Table of Contents

Sr. No.	Topic	Page No.
01	Scope & Purpose	03
02	Obejective	03
03	Definitions	04
04	Policy	06
05	Procedure of dealing with RPTs	06
06	Monitoring & Review	11

1. Scope & Purpose:

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 The Companies Act, 2013(“Act”) read with the rules framed there under and Regulations 23 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(“Regulations 23”), “Vishwas Refoils & Consumer Limited” (“Company”) has formulated guidelines for identification of related parties and the proper conduct and documentations of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, the company 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 Audit Committee. Going forward, the audit committee will review and amend the policy, as and when required, subject to adoption by the Board of Directors.

2. Objective:

The Objective of the 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, Regulations 23 of the SEBI Listing Regulations and any others laws and regulations as may be applicable to the company.

3. Definitions:

- i. **“Act”** means the Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- ii. **“Arm’s length basis”** means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- iii. **“Associate Company”**, means an associate company as defined under the Act.
- iv. **“Board”** means Board of Directors of the company.
- v. **“Company”** means Vishwas Refoils & Consumer Limited.
- vi. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 2011.
- vii. **“Key managerial personnel (KMP)”**, means the Key managerial personnel of the company in terms of the Act.
- viii. **“Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and agreement Signed by the company and the stock Exchanges in pursuance thereof.
- ix. **“Material modifications”** means any modifications to the existing related party transactions which were approved by the Audit committee or Board or shareholders during the year. Which would change the complete nature of the transaction and in case of monetary thresholds, which is in excess of 20% of the originally approved transaction, as the case may be.
- x. **“Material Related Party Transactions”** means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10%(ten percent)of the annual

consolidated turnover of the company as per the last audited financial statements of the company;

- xi. “Ordinary Course of Business”** means the usual transactions, customs and practices undertaken by the company to conduct its business operations and activities which the company can undertake as per Memorandum & 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;
- xii. “Relative”** with reference to a Director and KMP mean persons as defined in section 2(77) of the Act and rules prescribed there under;
- xiii. “Related Party”** shall have the same meaning as defined under the Companies Act, 2013 read with Rules made there under, Listing regulations and the Accounting standards.
- xiv. “Related Party Transactions”** have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations means transfer of resources, Services or obligations between a listed entity and a related party, regardless of whether 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:

 - 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) Underwriting the subscription of any securities or derivatives thereof, of the company.

4. Policy:

In order to ensure transparency and procedural fairness of RPTs, as also to ensure compliance with provisions of the Act and Listing Regulations, Board of Directors (“the Board”) of the company lays down this policy on Materiality of Related Party Transactions (the “policy”)

5. Procedure of dealing with RPTs:

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/her 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 or that could reasonably be expected to give rise to a conflict of interest.

B) Review and approval mechanism of Related Party Transaction:

i) Audit Committee

Prior approval of the Audit committee shall be required for:

- a. All RPTs regardless of whether they are in ordinary course of business or on arm’s length or not and subsequent material modifications;

- b. RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover, as per the last audited financial statements of the Company;
- c. W.e.f. 1st April 2023, a RPT to which the Company's subsidiary is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of such subsidiary.
- d. Audit committee shall consider the following factors while deliberating the RPTs for its approval: -
 - Name of party and details explaining nature of relationship;
 - Duration of the contract and particulars of the contract and arrangement;
 - Nature of transaction and material terms thereof including the value, if any;
 - Manner of determining the pricing to ascertain whether the same is on arm's length;
 - Business rationale for entering into such transaction;
 - Any other information relevant or important to take a decision on the proposed transaction.

Any member of the Committee who has a potential interest in any RPT will rescue himself and abstain from discussion and voting on the approval of the RPT. Further, only those members of the audit committee, who are independent directors, shall approve RPTs.

The Audit Committee may grant omnibus approval for RPTs 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 RPTs 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 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 (Rupee One Crore) per transaction.
- d. Audit Committee shall review, on a quarterly basis, details of RPTs entered into by the Company pursuant to the omnibus approvals 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:**

All Material RPTs, transactions which are not in the ordinary course of business or not at the arm's length price, shall be placed before the Board for obtaining its approval. Where approval of Board of Directors is required for any RPT or if the Board in any case elects to reviews any such matter or it is mandatory under any law for Board to approve the RPT, 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.

Any member of the Board who has any interest in any RPT will recuses himself and abstains from discussion and voting on the approval of the RPT.

iii) **SHAREHOLDER APPROVAL:**

Unless exempted, all material RPTs and subsequent material modifications as also all RPTs covered within the scope of Section 188 of the Act which are either not in the ordinary course of business or not on arm's length basis and exceeds the threshold under Section 188 of the Act, shall require prior approval of the shareholders through resolution.

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 RPT irrespective of whether the entity is a party to the particular transaction or not.

Transactions which do not require approval

Notwithstanding the foregoing, the following RPTs shall not require any approval:

- 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.
- c. Transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the company's accounts and placed before the shareholders at the general meeting for approval.
- d. Transactions entered into between two wholly-owned subsidiaries of the company, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

RPTs not approved under this Policy

If an RPT 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 RPT, to the extent permissible under the law.

In connection with any review of a RPT, the Committee has authority to modify or waive any procedural requirements of this Policy.

Ratification of RPTs:

Where any RPT is effected without prior approval of the Audit Committee, or the Board or the Shareholders, as the case may be, then the same may be ratified as per the process laid down under the Act and the Regulations.

Disclosure:

- All the RPTs and material RPTs shall be disclosed to the regulatory authorities and placed on the website in accordance with the provisions of the Act and the Regulations.
- The Company shall disclose the policy on dealing with RPTs on its website.
- Make such other disclosures as may be required under applicable laws.

6. MONITORING & REVIEW:

- The Board may monitor, review and amend the Policy from time to time as also whenever necessitated due to amendments to the Act, Listing Regulations or any other Regulations. 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 once in three years and/or and when required and updated accordingly.