

**VINSYS IT SERVICES INDIA LIMITED**  
**(formerly known as Vinsys IT Services India Private Limited)**  
**CIN L72200PN2008PLC131274**

**POLICY ON RELATED PARTY TRANSACTIONS**

## **1. SCOPE AND PURPOSE OF THE POLICY**

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, read with the Rules framed there under and as amended from time to time, Vinsys IT Services India Limited ('the Company') has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In the 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 recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

## **2. OBJECTIVE OF THE POLICY**

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 Companies Act, 2013 and any other laws and regulations as may be applicable to the Company.

## **3. DEFINITIONS**

**"Act"** means the Companies Act, 2013.

**"Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**"Audit Committee or Committee"** means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of the Regulations and Section 177 of the Act.

**"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

**"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 of Association 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.

**"Company"** means VINSYS IT SERVICES INDIA LIMITED.

**"Key Managerial Personnel"** (KMP) in relation to a Company, means

- a. the Chief Executive Officer or the Managing Director or the Manager;
- b. the Company Secretary;
- c. the Whole-Time Director;
- d. the Chief Financial Officer; and
- e. such other officer as may be prescribed.

**"Material Related Party Transaction"** means a transaction with a Related Party if the transaction /

transactions to be entered into individually or taken together with previous transactions during a financial year exceeds rupees one thousand crore or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of payment to a Related Party for brand usage or royalty the materiality threshold will be 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.”

**“Related Party”** have the meaning as defined in Section 2 (76) of the Act and Regulation 2 (1) (zb) of the Regulations, as amended.

**“Related Party Transaction”** have the same meaning as assigned to it in the Companies Act, 2013, and the Regulations, as amended.

**“Relative”** with reference to a Director or KMP means persons as defined in Section 2 (77) of the Act and rules prescribed thereunder.

Provided that

- a) any person or entity forming part of the promoter or promoter group of the listed entity; or
- b) any person or any entity, holding equity shares of 10% or more, in the listed entity directly or on a beneficial interest basis as provided under Section 89 of the Act, at any time, during the immediate preceding financial year.

All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Act, the Regulations and rules, regulations, notifications and circulars issued thereunder.

## **MATERIALITY THRESHOLDS**

To safeguard the interest of the Company and / or its shareholders, the materiality related to Related Party Transactions to be entered individually or taken together with previous transactions during a financial year will be ascertained as per the thresholds prescribed under the Regulations.

All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Regulations.

None of the related parties of a company shall vote to approve on such resolution irrespective of whether the listed entity is a related party to the particular transaction or not. Related parties can cast only negative vote to reject the shareholders' resolution on material related party transactions.

Provided that approval from shareholders will not be required for material Related Party Transaction in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

The Related Party Transactions which cross the materiality thresholds under the Act as mentioned below shall be entered into by the Company only with prior approval of shareholders of the Company through special resolution, as per applicable provisions of the Act and the Regulations, as may be amended from time to time:

Sr. No.	Criteria	Transaction value threshold
1.	Sale, purchase or supply of any goods or materials (Directly or through agent)	Amounting to 10% or more of turnover of the Company
2.	Selling or otherwise disposing of, or buying, property of any kind (Directly or through agent)	Amounting to 10% or more of net worth of the Company
3.	Leasing of property of any kind	Amounting to 10% or more of turnover of the Company
4.	Availing or rendering of any services (Directly or through agent)	Amounting to 10% or more of turnover of the Company
5.	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Remuneration exceeds Rs. 250,000 per month
6.	Underwriting the subscription of any securities of the company or derivatives thereof	Remuneration exceeds 1% of net worth

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

### **MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS**

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act, read with the Rules framed there under and the Regulations.

#### **a. Identification of related party transactions**

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and the SEBI Listing Regulations.

#### **b. Identification of related party transactions**

The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

#### **c. Procedure for approval of related party transactions**

Omnibus Approval by the Audit Committee

1. All related party transactions require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:
  - a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall

include the following namely:

- i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - ii. The maximum value per transaction which can be allowed;
  - iii. extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
  - iv. The transaction is / shall be frequent / regular / repetitive in nature.
  - v. The transaction is / shall be in ordinary course of business and at arm's length.
  - vi. Such other criteria as may be laid down by the Audit Committee.
  - vii. Such approval shall remain valid for period not exceeding one year, during which period the commercial terms of approved RPTs may change, provided that, arm's length criterion shall be ensured at the time of each such change.
  - viii. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
  - ix. transactions which cannot be subject to the omnibus approval by the Audit Committee
- b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
  - i. repetitiveness of the transactions (in past or in future);
  - ii. Justification for the need of omnibus approval
- c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company;
- d. The omnibus approval shall provide details of
  - Name of the related party
  - Nature of the transaction
  - Period of the transaction
  - Maximum amount of the transactions that can be entered into
  - Any other information relevant or important for the audit committee to take a decision on the proposed transaction

Provided that where the need for related party transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- e. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the company pursuant to the omnibus approval given;
- f. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- g. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- h. Any other conditions as the Audit Committee may deem fit.

In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

- a. The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in Clause 5 of the Policy.
- b. While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
  - Nature of the transaction i.e. details of goods or property to be acquired/transferred or services to be rendered / availed (including transfer of resources) – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
  - Key terms (such as price and other commercial terms contemplated under the arrangement) of the proposed transaction, including value and quantum;
  - Key covenants (non-commercial) as per the draft of the proposed agreement / contract to be entered into for such transaction;
  - Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
  - Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
    1. market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
    2. third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
    3. management assessment of pricing terms and business justification for the proposed transaction;
    4. comparative analysis, if any, of other such transaction entered into by the Company.
- c. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered by the company pursuant to each omnibus approval given.
- d. Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
  - Transactions which are not at arm's length or not in the ordinary course of business
  - Transactions which are not repetitive in nature
  - Transactions exceeding materiality thresholds as laid down in Clause 4 of the Policy
  - Transactions in respect of selling or disposing of the undertaking of the company
  - Financial Transactions eg. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties
  - Any other transaction the Audit Committee may deem not fit for omnibus approval

### **Approval of the Board of Directors of the Company**

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board

for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions that may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- Transactions that are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view require Board approval.
- Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

### **Approval of the Shareholders of the Company**

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 4 of the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative vote to reject the shareholders' resolution on material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which 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 placed before the shareholders for its approval.

However, the requirement of shareholders' approval for Material Related Party Transactions shall not be applicable for the following cases:

Transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

transactions entered into between the company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval

### **DISCLOSURES**

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated 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 its website.

### **RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the company becomes aware of any Related Party Transactions that has not been approved under this policy, prior to its consummation, the matter shall be reviewed by the Audit Committee. Audit Committee may consider all of the relevant facts and circumstances regarding the Related Party Transactions and may evaluate all the options available with the Company. Audit Committee may also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and failure of internal control systems, and may take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate may direct additional action including, but not limited to, discontinuation of the transaction or seeking the approval of the Shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review / approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this policy.

### **REVIEW OF THE POLICY**

The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

### **COMPLIANCE RESPONSIBILITY**

Compliance of this Policy shall be the responsibility of the Board of Directors, the Company Secretary and other Senior Management (Accounts, Finance & other Senior Personnel) of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

### **AMENDMENTS**

The Company reserves the right to make amendments to Policy on Related Party Transactions. This Policy was approved by the Board of Directors in their meeting held on 31 July 2023.