



Related Party Transaction Policy

Preface

The Companies Act, and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 has stipulated certain regulations with respect to related party transactions. This document is to lay down the policies on materiality of Related Party Transactions and dealing with Related Party Transactions.

Commencement

This policy would govern the related party transactions with effect from financial year 2014-2015. Subsequent to the amendment in the Listing Regulations read with Companies Act, 2013, the Board of Directors approved the policy by circular resolution on on 30th March, 2019. Further, due to change in name of the Company, the policy was revised for substituting the old name with new name by the Board of Directors of EbixCash World Money India Limited (Erstwhile Weizmann Forex Limited) on 26th May, 2020.

Legal Provisions

Definition of Related Party

Section 2(76) of the Companies Act defines related party as follows :

With reference to a company, a related party means

- (i) a director or his relative;
- (ii) a key managerial personnel or his 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 is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any 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;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any company which is—
 - (A) a holding, subsidiary or an associate company of such company; or



(B) a subsidiary of a holding company to which it is also a subsidiary;

(C) An investing company or the venture of the company.

(Explanation-For the purpose of this clause, "the investing company or the venture 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) such other person as may be prescribed;

Section 2(1)(zb) of the Listing Regulations

An entity shall be considered as related to the company if:

(i) such entity is a related party under Section 2(76) of the Companies Act: or

(ii) such entity is a related party 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.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

"Related Party Transaction" means a related party transaction as defined under Regulation 2(1)(zc) of the Listing Regulations read with amendments issued from time to time which is as follows:

Section 2(1)(zc) of the Listing Regulations

"Related party transaction" means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a 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:

Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

"Relative" with reference to a director or a Key Managerial Personnel means persons defined under Section 2(77) of the Companies Act read with amendments issued from time to time.

Provided this definition shall not be applicable for the units issued by mutual fund which are listed on a recognised stock exchange(s)



Policy:

1. Materiality Thresholds

Regulation 23 of the Listing Regulation requires the Company to provide clear threshold transaction limits duly approved by the board of directors beyond which approval of the shareholders through resolution will be required and the Related Parties shall not vote to approve on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company

Explanation. - 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.

However, 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.

2. Identification of Related Parties

- a) Related parties shall be identified under Companies Act and the Listing Agreement, as amended from time to time and regularly verified.
- b) The Secretarial Department of the Company shall request from all the Directors and Key Managerial Personnel information that may be required for inclusion in the list of Related Parties of the Company.
- c) Each Director and Key Managerial Personnel of the Company shall be required to inform the Secretarial Department of the Company of any change in the information previously provided on the list of Related Parties of the Company.
- d) Each Director and Key Managerial Personnel is responsible for providing notice to the Board 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.



MANNER OF DEALING WITH AND APPROVAL OF RELATED PARTY TRANSACTIONS:

A. Approval of related party transactions by Audit Committee

a) All transactions to be entered with Related Parties shall be entered into only after prior approval of Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions which are repetitive in nature subject to compliance of the conditions contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

b) the audit committee shall also satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;

c) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-

- (i) maximum value of the transactions, 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) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- (v) transactions which cannot be subject to the omnibus approval by the Audit Committee.

(d) the omnibus approval shall specify:

- (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 rupees one crore per transaction.

(e) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

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



- g) Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from any discussions or voting on such proposals
- h) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- i) Any other conditions as the Audit Committee may deem fit

B. Approval of the related party transactions by the Board

All Transactions which are not in the Ordinary course of business or an Arm's Length Transaction will be put up for prior approval of the Board. In case the Company has a paid-up share capital exceeding the amount as may be prescribed or the value of the specified transaction exceeds the prescribed thresholds under the Companies Act read with applicable rules, it will be also be put up for prior approval of the shareholders through an ordinary resolution.

Where any director is interested in any Related Party Transaction, such director shall not remain present at the meeting when Related Party Transactions is considered.

Approval of the related party transactions by the Shareholders

- i) All Material Related Party Transactions will be carried out only after approval from Shareholders through resolutions.

Provided that the aforesaid approvals will not be required for:

- a) transactions entered into between two government companies
- b) transactions entered by the Company with its wholly owned subsidiary whose accounts are consolidated with the accounts of the company and placed before the shareholders at the general meeting for approval..

Explanation. - For the purpose of clause (a), "government company(ies)" means Government company as defined in sub-section (45) of section 2 of the Companies Act, 2013.

- ii) Members who are Related Parties in the context of the related party contract or arrangement for which an ordinary resolution is to be passed shall not vote to approve the related party contract or arrangement for which the approval is sought.

- iii) No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

Provided that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.



Related Party Transaction as per Companies Act, 2013

Section 188 of the Companies Act, 2013 states that **only with the consent of the Board of Directors** given by a resolution at a meeting of the Board, a company shall enter into a related party transaction.

The transactions governed are

- (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:

For the purposes of first proviso to sub-section (1) of [section 188](#), except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into,-

(a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of [section 188](#), with criteria as mention below-

(i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of [section 188](#);

(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more] of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of [section 188](#);

(iii) leasing of property any kind amounting to ten percent or more of the turnover, as mentioned in clause (c) of sub-section (1) of [section 188](#);



(iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more] of the turnover of the company, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of [section 188](#):

Explanation.- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of [section 188](#).

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of [section 188](#).

Explanation.- (1) The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.

The Explanatory statement to the special resolution shall contain complete details of the transactions viz.

- Name of the related party;
- Name of director or Key Management Personnel who is related, if any;
- Nature of relationship;
- Nature, material terms, monetary value and particulars of the contract or arrangement
- Any other information relevant for the members to take a decision in the matter

Audit Committee

As per Section 177 of the Companies Act, 2013 it shall be the responsibility of the audit committee to approve any transactions with related party and the company and also any modification thereof.

Disclosure and Reporting

1. Details of the Related Party Transactions during the quarter shall be disclosed in the Audit Committee and Board meeting.

2. 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.



3. The Company shall disclose to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis details of all transactions with Related Parties exceeding the materiality threshold.

4. As per Section 134 of the Companies Act, 2013 the Annual Report of the board of directors shall contain particulars of related party transactions.

Related party transactions not previously approved.

In the event the Company becomes aware of Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such actions as the Audit Committee deems appropriate under the given circumstances.

Review:

Such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

Amendment in Law

Any subsequent amendment/modification in the Listing Regulations and /or applicable laws in this regard shall automatically apply to this policy.

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