

Welspun Investments and Commercials Limited

POLICY ON THE TRANSACTIONS WITH THE RELATED PARTIES

Object:

This policy is intended to ensure the proper approval and reporting of transactions between the Company and the Related Parties. Such transactions are appropriate only if they are in the interest of the Company and the stockholders. The Company is required to disclose in the Annual Report, the transactions between the Company and Related Parties. In addition, the Audit Committee and the Board will review any Related Party Transactions involving non-employee directors as part of the annual determination of their independence.

This Policy is in addition to the provisions dealing with conflicts of interest in the Company's Code of Conduct for the Board of Directors and Sr. Management.

The Committee / Board will review and may amend this policy from time to time.

Definitions:

The terms "Arm's Length Transaction", "Related Party" or "Related Parties", "Relative" and "Related Party Transaction" shall have the same meaning as assigned to them under the Companies Act, 2013. The term "Material Related Party Transaction(s)" shall have the same meaning as assigned to it by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions:

- (a) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or affiliates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business in compliance with the Companies Act, 2013 and the rules made thereunder;

Remuneration and sitting fees, which are not material in nature in terms of materiality tests provided by SEBI LODR, paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee.

- (b) Indemnification and advancement of expenses made pursuant to the Company's Articles of Association;
- (c) Contributions by the Company or its subsidiaries or any of its affiliates to a charitable organization, foundation (including Welspun Foundation for Health & Knowledge) registered with the Charity Commissioner, or university at which a

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Related Party is a trustee, director, or employee, provided that the contribution does not exceed 2% of the Company's profits as computed under Section 135 of the Companies Act, 2013;

(d) Any transaction, other than Material Related Party Transaction, entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

(ii) "Material modification" means any subsequent change to an existing RPT, having variance of 10% of the existing limit or Rs. 10 Crore whichever is higher.

Provided further that any modification to the transactions / agreements entered into :

- a) between the Company and its wholly owned subsidiary;
- b) 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 annual general meeting for approval;

shall be excluded from the applicability of above definition.

Identification of Potential Related Party Transactions:

Each director, nominee for director and Key Managerial Personnel is responsible for providing written notice to the Board of Directors of any potential Material Related Party Transaction involving him or her or his or her Relative(s), including any additional information about the transaction that the Board may reasonably request. The Board after discussion among themselves and if required in consultation with the outside counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

In addition, each director, nominee for director and Key Managerial Personnel is required to provide a declaration in connection with the annual disclosure that asks about themselves, their Relatives and any current or past pecuniary interests.

The Company strongly prefers to receive such notice of any potential Material Related Party Transaction well in advance so that the Chief Financial Officer / Head of Finance has adequate time to obtain and review information about the proposed transaction and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances, however.

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Review and Approval of Related Party Transactions:

All Related Party Transactions and subsequent Material Modification must be reported to the Chief Financial Officer / Head of Finance and referred for approval or ratification by the Audit Committee and the Board of Directors of the Company.

Related Party Transactions will be referred to the Audit Committee and the Board for review and approval or ratification.

A related party transaction to which any subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds:

i) ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company upto March 31, 2023

ii) with effect from April 1, 2023, ten per cent of the annual standalone turnover, as per the last audited financial statements of the Subsidiary

All Material Related Party Transactions and subsequent Material Modification, even if the same are at arm's length and are in the ordinary course of business will be referred to the Audit Committee and the Board for review and approval or ratification and the shareholders for approval of the shareholders through ordinary resolution with the related parties abstaining from voting on such resolutions.

Any member of the Audit Committee and / or the Board who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from participating in the meeting.

The Members of the Audit Committee, who are Independent Directors, may ratify related party transactions in accordance with the provisions of the Act and the Listing Regulations.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee.

To review a Related Party Transaction, the Audit Committee / Board will be provided with all relevant material information of the Related Party Transaction, as required to be provided under the Act and the Listing Regulations, including the terms of the transaction, period of transaction, amount of transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other

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relevant matters. In determining whether to approve or ratify a Related Party Transaction, the Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director;
- 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 would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director, nominee for director or Key Managerial Personnel of the Company.

In any case where the Audit Committee and / or the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee / Board as the case may be may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

Omnibus Approval

The Audit Committee and the Board of Directors of the Company may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company as well as Related Party Transactions of its subsidiaries, to which the Company is not a party 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;

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- c. Such omnibus approval shall specify:
 - (i) the name/s of the related party,
 - (ii) nature of transaction,
 - (iii) period of transaction,
 - (iv) maximum amount of transaction that can be entered into,
 - (v) the indicative base price / current contracted price and
 - (vi) the formula for variation in the price if any and
 - (vii) such other conditions as the Audit Committee may deem fit;
- d. 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 per transaction.
- e. Audit Committee shall review, atleast on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval 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.

Administrative Measures

The Company's management shall institute appropriate administrative measures to ensure that all RPTs entered into by the Company are in compliance with applicable laws and this Policy. All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy. The detailed processes relating to implementation of this Policy, as may be approved by the Audit Committee from time to time, shall be followed by all concerned. The Company Secretary shall be responsible to maintain/update the list of related parties (as required by applicable laws) and provide the same to all concerned. It is the duty of all employees of the Company to ensure that they do not deal with related parties under any kind of influence or coercion. The cases involving any unwarranted pressure should be promptly reported as per mechanism provided under the Whistle Blower Policy of the Company

Interpretation

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant

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law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard. In case of any clarification required with respect to this Policy, kindly contact the Company Secretary of the Company.

Review

This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.