

WISEC GLOBAL LIMITED

Reg. Office: 2nd Floor NH-II C- Block, Naraiana Vihar, Delhi-110028

Email ID: wisecglobal.yahoo.com

CIN: L71100DL1991PLC046609; Website: www.wisecglobal.com

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

(Pursuant to Section 188 of the Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015)

PREAMBLE

The Board of Directors (the “Board”) of Wisec Global Limited (the “Company”) had adopted a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transaction, in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 (the “Listing Regulations”) read with provisions of Section 188 of the Companies Act 2013 (the “Act”) and Rules made thereunder, in order to ensure transparency and procedural fairness of such transactions.

Considering various amendments under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Board of Directors of the Company, on recommendation of Audit Committee have revised and adopted this policy w.e.f. 7th January, 2025. The Audit Committee would review and amend the policy as and when required, subject to the approval of the Board. This revised policy shall supersede the existing on Policy Materiality of Related Party Transactions with effect from 7th January, 2025.

The Policy has been replaced based on the provisions related to ‘Materiality of Related Party Transactions and Dealing with Related Party Transactions’ under the “Act” and the “Regulation” as on date. Any subsequent amendment in these provisions would ipso-facto apply to this policy.

OBJECTIVE

Objective of this policy is to ensure the approval and reporting of ‘Related Party Transactions’ as applicable, between the Company and any of its Related Party. The Policy is designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct and reporting of the ‘Related Party Transactions’, in terms of the applicable laws.

The Audit Committee of Wisec Global Limited (“Audit Committee”), shall review, approve and ratify ‘Related Party Transactions’ based on this Policy. The policy shall be deemed to be amended to the extent of any modification in any term, scope or applicability with effect from the date such changes are made in applicable law or regulation.

TRANSACTIONS COVERED BY THIS POLICY

All the transactions entered into with the Related parties shall be covered under this Policy.

DEFINITIONS

Definitions as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Act” means the Companies Act, 2013

“Arm’s length transaction” means a transaction between two related parties that is conducted as if they were 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 and Articles of Association. The Board and Audit Committee may lay down principles for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.

“Company” means Wisec Global Limited.

“Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act, rules prescribed thereunder and Regulation 2 (1) (zb) of Listing Regulations, including the following **(Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, w.e.f. 1st April, 2022)**

- (a) any person or entity forming a part of the promoter or promoter group of the company; or
- (b) any person or any entity, holding equity shares:
 - (i) of 20% or more;or
 - (ii) of 10% or more, with effect from 1st April,2023;

in the company either directly or on a beneficial interest basis as provided under Section 89 of the Act at any time, during the immediate preceding financial year shall be deemed to be a related party.

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries **with effect from April 1, 2023;**

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 the following shall not be a related party transaction:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- i. payment of dividend
- ii. subdivision or consolidation of securities;
- iii. issuance of securities by way of a rights issue or a bonus issue; and
- iv. buy-back of securities.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

[Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, w.e.f. 1st April, 2022)]

“Relative” means relative as defined under sub section (77) of Section 2 of the Companies Act, 2013 and rules prescribed there under:

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

“Material Related Party Transaction(s)” Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed Rs.1000 Cr (Rupees One Thousand Crore) or 10% (ten percent) of the Annual Consolidated Turnover of the Company as per the last Audited Financial Statement or such sum or limit as may be prescribed under the Listing Regulations.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceed 5% (five percent) of the Annual Consolidated Turnover of the Company as per the last audited financial statement of the Company.

DEFINITIONS AS PER COMPANIES ACT, 2013

“Related Party” “related party”, with reference to a company, 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 or his relative is a member or director;
- v) a public company in which a director or manager holds 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 venturer of the company;"

Explanation.—For the purpose of this clause, “the investing company or the venturer 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 or such other person as may be prescribed;

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

“Relative”, with reference to any person, means any one 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 such manner as may be prescribed

Rule 4 of the Definition Rules have prescribed the following persons who shall be deemed to be the relative of another, if he or she is related to another in the following manner:

List of Relatives in Terms of Clause (77) of section 2

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father: Provided that the term “Father” includes step-father.
- (2) Mother: Provided that the term “Mother” includes the step-mother.
- (3) Son: Provided that the term “Son” includes the step-son.

- (4) Son's wife.
- (5) Daughter.
- (6) Daughter's husband.
- (7) Brother: Provided that the term "Brother" includes the step-brother;
- (8) Sister: Provided that the term "Sister" includes the step-sister.

"office or place of profit" means any office or place—

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

By the Audit Committee of the Board

- i) All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of the listed entity.
- ii) 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 consider the following factors while specifying the criteria for making omnibus approval, namely:-
 - a) Repetitiveness of the transactions (in past or in future);
 - b) Justification for the need of omnibus approval.
- iii) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval in the interest of the listed entity.
- iv) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval or such transactions which shall include the following namely:
 - a. The name(s) of the related party , nature of transaction, period of transaction, period of transaction, maximum amount of transactions that shall be entered into;
 - b. The indicative price / current contracted price and the formula for variation in the price, if any;
 - c. Maximum value of the transaction which can be allowed;
 - d. Extent and manner of disclosure to be made to the Audit Committee at the time of seeking omnibus approval;
 - e. Transaction which cannot be subject to the omnibus approval by the Audit Committee;

f. 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 transaction cannot be foreseen and aforesaid details are not, audit committee may grant omnibus approval for such transaction.

v) All material Related Party Transactions shall require approval; of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not ;

vi) 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 approval given;

vii) Such omnibus approvals shall be valid for a period not exceeding one Financial Year and shall require fresh approvals after the expiry of Financial Year;

viii) Omnibus approval shall not be made for transaction in respect of selling or disposing of the undertaking of the Company;

With effect from 1st April, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary; prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of these regulations are applicable to such listed subsidiary.

Further, 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;

By the Board of Directors

i) All Cases where the ‘Related Party Transactions’ are not in the ordinary course of business and/or are not on arm’s length basis but within the prescribed limits as per the Companies (Meeting of Board and its Powers) Rules, 2014, shall be brought before the Board of Directors at a meeting of the Board for approval through Audit Committee.

ii) Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangements

By the Shareholders

i) All Related Party Transactions that are beyond the prescribed limits as per Companies (Meeting of Board and its Powers) Rules, 2014 and being not in the ordinary course of business of the company and/ or not on an arm’s length basis, and

ii) All material related party transactions and subsequent material modifications as defined by the audit committee under sub regulation (2)] shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if Regulation 23 and sub regulation (2) of Regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

KEY PRINCIPLES

Materiality Threshold for Related Party Transactions

The related party transactions for being executed have to be approved by Audit Committees and/or Board of Directors and further by the Shareholders as well where, such transactions touches the materiality as discussed below in accordance with the Companies Act, 2013 and Regulation 23 of Listing Regulations.

The Materiality of Related Party Transactions is as below;

NATURE OF TRANSACTIONS	MATERIALITY AS PER COMPANIES ACT, 2013	MATERIALITY AS PER SEBI OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015
**Sale, purchase or supply of any goods or materials directly or through appointment of agents	Amounting to ten percent or more of the turnover* of the company or rupees one hundred Crore, whichever is lower Note: Omitted by the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019 Dated 18th November, 2019	1. Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed Rs.1000 Crore (Rupees One Thousand Crore) or 10% (Ten percent) of the Annual Consolidated Turnover of the Company as per the last audited financial statement or such sum or limit as may be prescribed under the
**selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agents	Amounting to ten percent or more, of net worth* of the company or rupees one hundred Crore, whichever is	

	lower Note: Omitted by the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019 Dated 18th November, 2019	Listing Regulations. 2. A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceed 5% (five percent) of the Annual Consolidated Turnover of the Company as per the last audited financial statement of the Company.
**leasing of property of any kind;	Amounting to ten percent or more of the turnover* of the company. Note: Substituted by Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019 Dated 18th November, 2019	Note: 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.”
**Availing or rendering of any services, directly or appointment of agent	Amounting to ten percent or more of the turnover* of the company or Rupees Fifty Crore, Whichever is Lower Note: Substituted by Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019 Dated 18th November, 2019	
For Appointment to any Office Or Place of profit in the company, its subsidiary company or associate company;	Monthly remuneration exceeding two and a half Lakh rupees	
For remuneration for underwriting the subscription of any securities or derivatives thereof, of the company:	Exceeding one percent of the net worth*	

*The turnover or net worth referred above shall be computed on the basis of the audited financial statement of the preceding financial year.

** It is hereby clarified that these limits shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

COMPLIANCE REQUIRED

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.

(Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, w.e.f. 1st April, 2022)

DISCLOSURE AND OTHER REQUIREMENTS:

1. All Directors /KMP are required to disclose the parties in which they are interested/deemed to be interested in prescribed format the time of their appointment, annually and whenever there is any change.
2. Further, each Director and KMP of the Company shall promptly notify the Secretarial Department of any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest.
3. Every contract or arrangements with Related Party shall be referred to in the Board's report to the shareholder along with the justification for entering into such contract or arrangement.
4. Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or approval of Members by resolution in the General Meeting and if it is not ratified by the Board or approval of Members by resolution in the General Meeting within 3 (Three) Months from the date on which such contract or arrangement was entered into, such contract or arrangements shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contact or arrangements is with a related party to any Director or is authorized by any other Director, the director concerned shall indemnify the company against any loss incurred by it.
5. The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this policy. The "Act" and The "Regulations" for recovery of any loss sustained by it as a result of such contract or arrangement.
6. Any Director or any other Employee of a Company, who had entered into or authorized the contract or arrangement in violation of the provisions of this Policy. The "Act" and The "Regulations" shall be punishable as per the provisions of these laws.
7. The Policy on materiality of Related Party Transactions shall be reviewed by the Board of Directors at least once in every three years and updated accordingly.

CONSEQUENCES OF NON-COMPLIANCE OF SUCH POLICY FOR ANY RELATED PARTY TRANSACTION

Non- compliance of this Policy may lead to initiation of disciplinary proceedings against the Employee/Director. Details of such disciplinary proceedings will form part of the personal file of such personnel and will be considered as a default on his or her key responsibilities.

The above would be over and above the prescribed penal consequences under the Companies Act, 2013 and the Listing Regulations.

AMENDMENTS TO THE POLICY

The Board of Directors and/or the Company Secretary of the Company are authorized to amend or modify this policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

This policy was last approved by the Board of Directors on 7th January, 2025.