



POLICY ON RELATED PARTY TRANSACTIONS

WINDSOR MACHINES LIMITED

[CIN: L99999MH1963PLC012642]

REGISTERED OFFICE:
102/103, Devmilan Co. Op
Housing Soc., Next to Tip Top
Plaza, L.B.S. Road Thane West,
Maharashtra -400604.

1. PREAMBLE:

This Policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Parties. The Companies Act 2013 together with the Rules notified thereunder and Regulation 23 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 (“LODR Regulations”), (together referred to as “the applicable laws”), provide a framework for regulating transactions with Related Parties.

This policy is framed as per the requirements of the applicable laws and shall operate within the boundaries set by the laws.

2. PURPOSE:

The policy is not only in the best interests of its stakeholders but also in due compliance with the requirements of the Companies Act, 2013 and the LODR Regulations. Pursuant to Regulation 23 of the LODR Regulations, a policy needs to be formulated to deal with Related Party Transactions including formulating a policy on materiality of Related Party Transactions. This policy therefore lays down the mechanism to deal with Related Party Transactions.

3. OBJECTIVE:

In its endeavour to ensure due and proper compliance with the applicable provisions and to ensure that proper procedure is defined and followed for approval / ratification and reporting of transactions as applicable, between the Company and any of its Related Parties, this policy has been adopted by the Company's Board of Directors. The provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

The Policy and procedures have been designed to achieve due and timely compliance with the statutory requirements governing related party transactions by ensuring:

- A. Identification of Related Parties;
- B. Evaluation of Related Party Transactions;
- C. Obtaining required approvals;
- D. Recording of Related Party Transactions; and
- E. Disclosures of the Policy and the Related Party Transactions, including disclosure of all transactions in the Annual Financial Statements.

4. DEFINITIONS:

For the purposes of this Policy, the following relevant definitions under the Companies Act, 2013, have been reproduced/explained here for ready reference, in view of their applicability here.

“**Act**” means the Companies Act, 2013 (‘Act’) read with the Rules thereto including any subsequent amendments thereof.

“**Accounting Standards**” means Accounting Standards notified under Section 133 of the Act.

“**Board**” means Board of Directors of the Company.

“**Policy**” means Related Party Transaction Policy.

“Audit Committee or Committee” means the Committee of the Board constituted from time to time under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR Regulations, 2015.

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.

“Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013 or KMP within the meaning of the Accounting Standard 18 – Related Party Disclosures (‘AS 18’)/Indian Accounting Standards (Ind AS).

“Related Party” will have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the LODR Regulations and/or as per Indian Accounting Standard (Ind AS)- 24.

“Relative” in relation to a Related Party shall have the same meaning as defined under Section 2(77) of the Act.

includes anyone who is related in any of the following manner –

- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son’s wife;
- g. Daughter;
- h. Daughter’s husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).

“Related Party Transaction” or “RPT” means transactions as given under clause (a) to (g) of subsection (1) of Section 188 of the Act and the corresponding Rules thereto and as defined in clause (zc) of Regulation 2 of the LODR Regulations. These include sale, purchase, leasing or supply of goods or property, availing/ rendering of any services, appointment of agents for any of these transactions, underwriting of securities and transfer of resources, services or obligations between the Company and its related party/ies, regardless of whether a price is charged or not.

Words and expressions used and not defined in this Policy, but defined in the Act or any Rules framed thereunder or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations or the Accounting Standards/Indian Accounting Standards shall have the meanings assigned to them in these Regulations.

“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.

“Material Related Party Transactions” shall have the same meaning as defined under Regulation 23 of the LODR Regulations requires a company to provide materiality thresholds for transactions beyond which the shareholders’ approval will be required by way of a special resolution.

Transactions with related party shall be considered as “material related party transactions” if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts/Arrangements exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements or such as may be prescribed under LODR Regulations, 2015, as may be amended from time to time.

Notwithstanding the above, 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, exceeds five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

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“Provided that 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.”

“**Transaction**” with a related party shall be construed to include a single transaction or a group of transactions. The terms Director, Chief Financial Officer, Company Secretary, shall have the same meaning as assigned under the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereof, Indian Accounting Standards; and or any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

5. POLICY:

AUDIT COMMITTEE:

All Related Party Transactions shall require prior approval of the Audit Committee of the Board in terms of **Regulation 23** of the LODR Regulations. and contract / arrangements shall be in compliance with the provisions of the Companies Act, 2013, (the "Act") Listing Regulations and applicable Accounting Standards/Indian Accounting Standards, as amended from time to time. Chief Financial Officer will refer RPTs to audit committee for such approval. Further, any variations against the pre-approved transactions will be placed before the Audit Committee for ratification.

All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 and under the Transfer Pricing Regulations.

All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 and under the Transfer Pricing Regulations

However, the Audit Committee may grant **omnibus approval** for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;

The Audit Committee will take into account following considerations while dealing with the RPTs:-

- nature of relationship with the related party;
- Nature, material terms and conditions, monetary values and particulars of the contract or arrangement;
- Method and manner of determining the pricing and other commercial terms;
- Whether the transaction is at arm's length; and

- Any other information relevant or important for the Audit Committee/ Board 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 available. Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs 1 Crore per transaction.

Prior approval of Audit Committee is not required for RPTs entered into between the Company and its wholly owned subsidiary.

Any member of the Audit Committee who has a potential interest in any related party transaction will absent himself/herself and abstain from discussion and voting on the approval of the related party transaction

Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

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

OMNIBUS APPROVAL:

The Audit Committee shall take into account following considerations while granting omnibus approval for RPTs, of repetitive nature:

- Criteria specified by the Audit Committee under Rule 6A of the Companies (Meetings of Board & Its Powers) Rules, 2014 after approval of the Board;
- Nature of relationship with the related party;
- Nature, material terms and conditions, monetary values and particulars of the contract or arrangement;
- Method and manner of determining the pricing and other commercial terms;
- Justification for need of omnibus approval;
- Whether the transaction is at arm's length and in ordinary course of business; and
- Any other information relevant or important to take a decision on the proposed transaction.

Pursuant to Regulation 23 of LODR Regulations, the threshold limits for RPTs for granting omnibus approval for each financial year, as per the criteria approved by the Board.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under LODR Regulations and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. Additionally, the Committee may also grant omnibus approval for RPT of unforeseen nature not exceeding Rupees One Crore.

The Audit Committee shall review on a quarterly basis the details of RPTs entered into by the Company pursuant to omnibus approval.

BOARD:

- Related Party Transactions which are not in the ordinary course of business or not at arm's length price shall require prior approval of the Board;

- Material Related Party Transactions shall require prior approval of the Board;
- No member of the Audit Committee/ Board shall participate in the review or approval of any Related Party Transaction in which such member is interested and that the director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board;

SHAREHOLDERS:

- All Material Related Party Transactions shall require approval of the Shareholders of the Company by way of a resolution passed at the general meeting of the Company and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution passed at the general meeting of the Company; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.

6. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED:

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

The Committee, Board or Shareholders, as the case may be, shall consider all relevant facts & circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction and the Company shall take such action as the Committee deems appropriate under the circumstances.

7. IDENTIFICATION OF RELATED PARTY TRANSACTIONS:

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per **Annexure 1** containing the following information to the Company Secretary /Compliance Officer on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act.
(other than advice, directions or instructions obtained from a person in professional capacity)

Every Director and Key Managerial Personnel will also be responsible to update the Company Secretary /Compliance Officer of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary /Compliance Officer shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of:

- i. All Directors and Key Managerial Personnel;
- ii. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- iii. Company's holding company, subsidiary companies and associate companies;
- iv. Subsidiaries of holding company;
- v. Director or Key Managerial Personnel of the holding company or their Relatives;
- vi. All group entities; and
- vii. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Listing Regulations or the relevant Accounting Standard.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary/Compliance Officer. The functional / business heads / Chief Financial Officer/Company Secretary/Compliance Officer /shall have access to the updated database.

Every Director, Key Managerial Personnel, Functional / Business heads / Chief Financial Officer will be responsible for providing prior Notice to the Company Secretary/Compliance Officer of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board/ Committee may request, for being placed before the Committee and the Board.

The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in Annexure 2 to this Policy.

The Company Secretary /Compliance Officer in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the Company Secretary/Compliance Officer will take it up for necessary approvals under this Policy.

8. DISCLOSURE OF RELATED PARTY TRANSACTION:

- A. All contracts or arrangements which require Board approval shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- B. The Explanatory Statement annexed to the Notice convening General Meeting for seeking the Shareholders' approval for the Related Party Transaction should contain the following details:
 - C. Name of the Related Party;
 - D. Name of the Director or Key Managerial Personnel, who is related, if any;
 - E. Nature of relationship;
 - F. Nature, material terms, monetary value and particulars of contract or arrangement;
 - G. Other relevant or important information which helps Shareholders take a Decision

- H. Details of all material transactions with the Related Parties should be disclosed to the Stock Exchanges on quarterly basis along with the Corporate Governance Compliance Report.
- I. The Policy on dealing with Related Party Transactions shall be uploaded on the Company's website
- J. The Company shall publish the Policy in its Annual Report.
- K. This Policy will be communicated to all operational employees and other concerned persons of the Company.

9. SCOPE LIMITATION:

In the event of any conflict between the provisions of this Policy and of LODR / the Act or any other statutory enactments, rules, then later shall prevail.

10. AMENDMENTS TO THE POLICY:

The board of directors of the Company reserves the right to modify and/or amend this Policy at any time subject to the provisions of LODR and the Act and Rules framed thereunder.

ANNEXURE 1

NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,
The Company Secretary/Compliance Officer
WINDSOR MACHINES LIMITED
Mumbai.

Dear Sir,

A. I,, son/daughter/spouse of, resident of, holding Shares (equity or preference) of Rs. 10/- each (..... percent of the paid-up capital) in the Company in my name, being a in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

Sr. No.	Name of the Companies/Bodies Corporate/Firms/ Association of Individuals	Nature of Interest or concern / Change in Interest or Concern	Shareholding (No. & %)	Date on which Interest or Concern arose/changed

B. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions:

Sr. No.	Name of the Body Corporate

C. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity):

Sr. No.	Name of person	Relation

D. List of relatives:

Relationship	Full Name	Address	Shareholding in the Company
1. Spouse			
2. Father (including Step- Father)			
3. Son (including Stepson)			
4. Daughter			
5. Daughter's Husband			
6. Brother (Including Step- Brother)			
7. Sister (Including Step-Sister)			
8. Mother (including Step-Mother)			
9. Son's Wife			
10. Members of HUF			

Signature:

Name:

Designation:

Place:

Date:

ANNEXURE 2

INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):

1. Name of the Related Party and nature of relationship;
2. Nature and duration of the contract/transaction and particulars thereof Material terms of the contract or arrangement or transaction including the value, if any;
3. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
4. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
5. Manner of determining the pricing and other commercial terms, whether or not
6. included as part of contract;
7. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any;
8. Applicable statutory provisions, if any;
9. Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
10. Justification as to the arm's length nature of the proposed transaction;
11. Declaration whether the transaction is in the ordinary course of business;
12. Persons / authority approving the transaction;
13. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
14. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
15. Justification as to why the proposed RPT is in the interest of the Company;
16. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
17. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.
