



POLICY ON RELATED PARTY TRANSACTION

GLASS WALL SYSTEMS (INDIA) LIMITED

Policy on Related Party Transaction

1. PREAMBLE

The Board of Directors (the “Board”) of Glass Wall Systems (India) Limited (the “Company”) has adopted this Policy upon recommendation of the Audit Committee and it includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

The Board of Directors of the Company has adopted this Policy to set forth the procedures by which transactions with Related Parties shall be reviewed for approval or ratification. The Policy is intended to ensure proper approval, disclosure and reporting of transactions between the Company and its Related Parties and its Subsidiary Companies, if any and their Related Parties, wherever applicable. Any Related Party Transaction may be entered into by the Company in accordance with the provisions of this Policy.

2. INTRODUCTION

The Company’s securities will be listed on National Stock Exchange and Bombay Stock Exchange Limited (the “Stock Exchanges”) and it is required to comply with the provisions of Companies Act, 2013 (“Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) to the extent applicable. The Listing Regulations mandates listed entities to formulate a policy on materiality of Related Party Transactions (“RPT”) and on dealing with RPTs. It is in this context that the Policy on Related Party Transaction (“Policy”) is being framed and implemented. The Policy shall come in to force with effect from the date of listing of the equity shares of the Company on Stock Exchanges.

3. OBJECTIVE

In view of the provisions of the Act and Listing Regulations to the extent applicable, the Board of Directors of the Company has adopted this Policy. The Policy envisages the materiality of RPTs, procedure governing RPTs required to be followed by the Company to ensure compliance with the provisions of the Act and Listing Regulations to the extent applicable and regulates all transactions between the Company and its Related Parties. The Audit Committee will review the same from time to time and propose the amendment required in the policy to the Board of Directors.

4. DEFINITIONS

- a. **“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;
- b. **“Audit Committee”** means Committee of Board of Directors of the Company constituted under with the provisions of the Act and the Listing Regulations.
- c. **“Board”** means Board of Directors of the Company;

- d. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
- e. **“Key Managerial Personnel” or “KMPs”** in relation to the Company shall have the definition as ascribed to the term under Section 2(51) of the Act, as amended from time to time.
- f. **“Material Modification”** shall mean an amendment to the terms of a transaction / agreement / commitment with / to a Related Party, the effect of which will be an increase over the approved limit for a transaction 20% (twenty per cent) of the approved limit.

Provided further that any modification to the transactions / agreements entered into: a) for sale, purchase or supply of any goods or materials or availing or rendering of any services in the ordinary course of business and on arm's length basis; b) between the Company and its wholly owned subsidiary; c) 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.

- g. **“Material Related Party Transaction”** of the Company shall have the meaning ascribed to the term under Regulation 23(1) of the SEBI Listing Regulations, as amended.
- h. **“Ordinary Course of Business”** means routine businesses of the Company and usual transactions and practices of business and would include activities which are incidental to or related to the businesses of the Company;
- i. **“Policy”** means Related Party Transaction Policy, as amended from time to time;
- j. **“Related Party”** means Party as defined in clause (zb) of sub-regulation (1) of Regulation 2 of the Listing Regulations.
- k. **“Related Party Transaction”** means transaction as defined in clause (zc) of sub-regulation (1) of Regulation 2 of the Listing Regulations.
- l. **“Relative”** means relative as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and rules prescribed thereunder.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act, 2013 and the rules thereunder and the Listing Regulations, as amended from time to time.

5. PROHIBITIONS RELATED TO RELATED PARTY TRANSACTIONS

All RPTs and subsequent Material Modifications shall require prior approval of Audit Committee. Such approval may be obtained through circular resolution.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

Further, all Material Related Party Transactions shall require approval of the Board as well as shareholders through ordinary resolution provided no approval of the shareholders is required if the following conditions are satisfied:

- a. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b. Transactions fulfilling all the following three conditions:
 - i. It is in the Ordinary Course of Business;
 - ii. It is at Arm's length; and
 - iii. The transaction does not exceed 10% of the annual consolidated turnover of the Company as per the last audited statement.

6. OMNIBUS APPROVAL BY THE AUDIT COMMITTEE

All RPTs shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company subject to the following conditions:

- a. 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 and its shareholders;
- c. Such transactions are entered in the Ordinary Course of Business and are at Arm's Length;
- d. 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 the formula for variation in the price if any; and
 - vi. such other conditions as the Audit Committee may deem fit; Provided that where the need for RPTs 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. One Crore per transaction.
- e. Audit Committee shall review, at least on a quarterly basis, the details of RPTs 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.
- g. Omnibus approval shall not be made for the transactions in respect of selling or disposing off the undertaking of the Company.

7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

a. Audit Committee

- i) All the transactions which are identified as RPTs should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the RPTs for its approval.

- ii) RPTs will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee or the Directors of the Board who has a potential interest in any RPT shall not be present at the meeting during discussions on the subject matter and shall recuse himself or herself and abstain from discussion and voting on the approval of the RPTs.
- iii) RPTs which are (a) not in the Ordinary Course of Business, or (b) not at Arm's Length price or (c) a Material Related Party Transaction and subsequent Material Modifications, would require approval of the Board of Directors or of shareholders.
- iv) RPTs entered into by the Company, which is not under the omnibus approval or otherwise, pre-approved by the Audit Committee, will be placed before it for ratification.

b. Board of Directors

In case any RPT is referred by the Company to the Board for its approval due to the transaction being (a) not in the Ordinary Course of Business, or (b) not at an Arm's Length price or (c) a Material Related Party Transaction and subsequent Material Modifications; the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any RPTs will recuse himself and abstain from discussion and voting on the approval of the RPT.

c. Shareholders

Unless exempted, the Company shall seek prior approval of shareholders through resolution for "Material Related Party Transactions and subsequent Material Modifications". The resolution shall be an ordinary resolution or such resolution as may be required by the Companies Act and the Listing Regulations and all the Related Parties (if any) will abstain from voting on such resolution irrespective of whether the concerned entity is a party to the particular transaction or not.

d. Reporting of RPT

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be specified in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

8. DISCLOSURE OBLIGATIONS OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Every Director & KMP shall, at the beginning of the Financial Year or whenever any change occurs, provide information by way of written notice to the Company, regarding his concern or interest in the entity with specific concern to parties which may be considered as a Related Party with respect to the Company and shall also provide the list of relatives which are regarded as a Related Party as per this policy. Directors & KMP are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as a Related Party according to this Policy.

Accordingly, the Company will determine whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee / Board has adequate time to obtain and review information about the proposed transaction.

9. APPROVAL FOR UNFORESEEN RELATED PARTY TRANSACTIONS:

Pursuant to Regulation 23(3) of the Listing Regulations, where the need for related party transaction cannot be foreseen and the details required to be disclosed are not available, the Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs.1 Crore (Rupees One Crore Only). Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy.

10. TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee:

- a. Any transaction involving the providing of compensation to a Director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

11. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 or Listing Regulations or any other statutory enactments, rules, the provisions of Companies Act, 2013 or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Companies Act, 2013 and/or applicable laws in this regard shall automatically apply to this Policy.

12. DISCLOSURE OF THE POLICY

The Policy shall be displayed on the Company's website and address of such web link shall be provided in the Annual Report of the Company.

13. POLICY REVIEW

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy.

The Board may also, based on the recommendations from the Audit Committee, make any amendments to the Policy from time. The Policy shall be reviewed by the Board at least once in every 3 (three) years and updated as may be required.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. A note in relation to such changes shall be placed in subsequent meeting of the Board and the Audit Committee