



RELATED PARTY TRANSACTION POLICY & PROCEDURE

The Board of Directors (the "Board") of The Waterbase Limited (the "Company"), has adopted the following policy regarding materiality of related party transaction, dealing with Related Party Transactions and manner of pre-approving transactions with related parties in terms of Clause 49(VII)(C) of the Listing Agreement and Section 188 of Companies Act, 2013. The Board will review and may amend this policy from time to time.

No Related Party Transaction may be entered into by the Company, except in accordance with the provisions of this Policy.

a) Definitions:

- 1) **"Arm's length basis"** means, a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- 2) **"Related party"** means:
 - i. A person defined as Related Party under Section 2(76) of Companies Act, 2013
 - ii. A person defined under the applicable Accounting Standard dealing with Related Party Disclosures
- 3) **"Transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract or arrangement.
- 4) **"Related Party Transaction"** means transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and would include a transaction specified under Section 188 (1) of the Companies Act, 2013.
- 5) **"Material Related Party Transaction"** means any transaction / transactions 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 company as per the last audited financial statements of the company.

b) Procedure for Dealing with Related Party Transactions:

- 1) The Related Parties are obligated to disclose complete information about the proposed transactions with Related Parties to the Company Secretary, so as to enable the Company Secretary to determine whether the transaction constitutes



a Related Party Transaction requiring compliance with this policy and for placing it before the Audit Committee/ Board or the Shareholders as the case may be.

- 2) No Related Party Transaction shall be entered into by the Company without the prior approval of the Audit Committee (except for the transactions pre-approved by the Audit Committee as in Clause 6). Any subsequent modification of transactions of the company with related parties will also require prior approval of Audit Committee.
- 3) In the event such a Related Party Transaction is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such Transaction.
- 4) The Audit Committee, while considering a related party transaction, shall be presented with all supporting details/ documents so as to enable it to decide whether the Transaction is in the ordinary course of business and on arm's length basis. If the Committee decides that any Transaction is not in the Ordinary course or is not at arm's length, may make appropriate recommendation for Compliance.
- 5) No director who is interested in any such transaction shall be present at the meeting during discussions on the subject matter of the resolution proposed for Board/ Audit Committee Approval.
- 6) In case of appointment of any related party as an agent for purchase or sale of goods, materials, services or property as envisaged under Section 188 (1) (e) the appointment shall be deemed to be in the ordinary course of business and at arm's length if the same is done with comparable quotes from other individuals/entities who are eligible to act as such agents and the Audit Committee is satisfied that the selection of the agent is done in a manner wherein there is no conflict of interest.
- 7) In case of appointment of any related party to any office or place of profit as envisaged under Section 188 (1) (f) the appointment shall be deemed to be in the ordinary course of business and at arm's length if the same is done as per the Nomination and Remuneration policy of the Company and the appointment is subject to prior approval of the Nomination and remuneration Committee of the Company.
- 8) All material related party transactions, after being specifically approved by the Audit Committee, will be placed for approval of the Board and shareholders of the



Company. This shall not be applicable for transactions with wholly owned subsidiaries of the Company whose accounts are consolidated with that of the Company.

- 9) The Audit Committee may, subject to the following conditions, pre-approve certain Related Party Transactions and modifications thereto:
- i. Need for the particular Related Party Transaction cannot be foreseen.
 - ii. The Transaction is at arm's length and is in the ordinary course of business and is of repetitive nature.
 - iii. The Transaction is not a transaction that requires approval by the Board/ Shareholders under the provisions of the Companies Act, 2013 and rules framed thereunder.
 - iv. Audit Committee, while granting the pre-approval, shall specify the name of the related party, nature, period, maximum amount of transaction, the indicative base price / current contracted price and the formula for variation in the price if any and such other conditions as the Audit Committee may deem fit. Where the need for Related Party Transaction cannot be foreseen and also the 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.
 - v. Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
 - vi. Such omnibus approvals shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.



Vikram M Thapar
Chairman