



POLICY ON RELATED PARTY TRANSACTIONS

ITWINGS INFOSYSTEM LIMITED
(Formerly known as ITwings Infosystem Private Limited)

Version: 1.0

Approved By: Board of Directors

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Review Authority: Board of Directors

Next Review Due: As and when required or pursuant to any change in applicable law



ITwings Infosystem Limited | CIN No. : U72300UP2013PLC059548
(Formerly Known as Itwings Infosystem Private Limited)

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1. INTRODUCTION

- 1.1 The Company recognises that Related Party Transactions can present actual or potential conflicts of interest and therefore has formulated this Policy to ensure that all Related Party Transactions are undertaken in compliance with applicable laws and in the best interests of the Company and its stakeholders.

Accordingly, the Board of Directors of ITWINGS INFOSYSTEM LIMITED ("Company") has adopted this Policy on Related Party Transactions to regulate the review, approval, monitoring and reporting of Related Party Transactions and to prescribe the materiality thresholds thereof..

- 1.2 This Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013, including Sections 177 and 188 thereof, the Rules made thereunder, Regulation 23 read with Regulation 2(1)(zb), Regulation 2(1)(zc) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the applicable SEBI Circulars, the Industry Standards recognised by the Securities and Exchange Board of India relating to Related Party Transactions and such other statutory provisions, notifications, circulars and guidelines as may be applicable.

This Policy has been approved by the Board of Directors at its Meeting held on 07th September 2026, and shall become effective from the date of listing of the Equity Shares of the Company on the SME Exchange. The provisions of this Policy relating to Related Party Transactions under the Companies Act, 2013 shall apply from such date, and the provisions relating to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") shall apply from the date on which Regulation 23 becomes applicable to the Company in accordance with Regulation 15(2)(b) of the SEBI LODR Regulations

2. OBJECTIVE

The objective of this Policy is to:

- (a) establish a framework for identification of Related Parties and Related Party Transactions;
- (b) prescribe the manner of review, approval, monitoring and reporting of Related Party Transactions;
- (c) determine the materiality thresholds for Related Party Transactions;
- (d) ensure compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws; and
- (e) safeguard the interests of the Company and its shareholders by ensuring transparency and proper governance in all Related Party Transactions.



3. APPLICABILITY

This Policy shall apply to all Related Party Transactions entered into by the Company, including transactions undertaken through its subsidiaries, to the extent applicable under the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws.

4. DEFINITIONS

3.1 Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

(I) **“Arm’s Length Transaction”** means a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

(II) **“Associate Company”** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: -For the purposes of this clause-

a) *the expression “significant influence” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;*

b) *the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.*

(III) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and the rules made thereunder and, where applicable, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(IV) **“Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.

(V) **“Material Related Party Transaction”** means a Related Party Transaction entered into individually or taken together with previous transactions during a financial year which exceeds the materiality threshold prescribed under Regulation 23(1) of the SEBI LODR Regulations, as applicable to the Company from time to time.

In the case of the Company, where it has listed its specified securities on the SME Exchange and Regulation 23 is applicable to the Company, a Related Party Transaction shall be considered material if the transaction(s), entered into individually or taken together with previous transactions during a financial year, exceeds Rupees Fifty Crore or ten per cent of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.



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), entered into individually or taken together with previous transactions during a financial year, exceeds five per cent of the annual consolidated turnover of the Company as per its last audited financial statements.

The materiality thresholds prescribed under this clause shall be applied only when Regulation 23 of the SEBI LODR Regulations is applicable to the Company.

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), entered into individually or taken together with previous transactions during a financial year, exceeds five per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company..Provided that, with effect from the date on which the Equity Shares of the Company are listed on the SME Exchange, a Related Party Transaction shall be considered material if the transaction(s), individually or taken together with previous transactions during a financial year, exceeds Rupees Fifty Crore or ten per cent of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower, or such other threshold as may be prescribed under the SEBI Listing Regulations from time to time.

(VI) **“Ordinary Course of Business”** means 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 its Memorandum of Association and Articles of Association.

(VII) **“Policy”** means this Related Party Transaction Policy.

(VIII) **“Relative”** shall have the same meaning as defined in section 2(77) of the Act.

(IX) **“Related Party”** shall have the meaning assigned to it under Section 2(76) of the Companies Act, 2013, the applicable Accounting Standards and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time..

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)



Under **Section 2(76)** of the Companies Act, 2013, as referred above, a Related Party with reference to a company means:

- (i) a director or his relative;
- (ii) 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 is a director and 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 body corporate which is—
 - a) a holding, subsidiary or an associate company of such company;
 - b) a subsidiary of a holding company to which it is also a subsidiary; or
 - c) an investing company or the venturer of a 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.

- (ix) Such other person as may be prescribed.

(X) **“Related Party Transaction”** As defined under **Listing Regulation** shall mean 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 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;
- d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- e) retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable or offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

Under **Section 188 of the Companies Act, 2013**, contracts or arrangements with related party with respect to:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;



- (c) leasing of property of any kind;
 - (d) availing or rendering of any services;
 - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - (g) underwriting the subscription of any securities or derivatives thereof, of the company.
- (XI) **"Subsidiary Company"** in relation to any other company i.e., holding company, means a company in which the holding company-
- i. controls the composition of the Board of Directors; or
 - ii. exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation—For the purposes of this clause,

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;*
- (b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors;*
- (c) the expression "company" includes any body corporate;*
- (d) "layer" in relation to a holding company means its subsidiary or subsidiaries;*

3.2 INTERPRETATION

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable Accounting Standards and other applicable laws, including any statutory modification or re-enactment thereof.



In the event of any inconsistency between this Policy and applicable law, the provisions of the applicable law shall prevail.

5. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

4.1 APPROVAL OF AUDIT COMMITTEE

- i) All Related Party Transactions and subsequent material modifications thereto shall require prior approval of the Audit Committee in accordance with Section 177 of the Companies Act, 2013 and the rules made thereunder, and, where Regulation 23 of the SEBI LODR Regulations is applicable to the Company, in accordance with Regulation 23 thereof, unless specifically exempted under applicable law. Where Regulation 23 of the SEBI LODR Regulations is applicable to the Company, only those members of the Audit Committee who are Independent Directors shall approve Related Party Transactions, to the extent prescribed under applicable law.
- ii) A Related Party Transaction to which a 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 where the transaction is covered by Regulation 23(2)(b) or Regulation 23(2)(c) of the SEBI LODR Regulations, as applicable from time to time.

In case the subsidiary has audited financial statements for a period of at least one year, a Related Party Transaction above Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, shall require prior approval of the Audit Committee of the Company if the value of such transaction exceeds the lower of:

- (a) ten per cent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- (b) the applicable materiality threshold for Related Party Transactions of the Company under Regulation 23(1) of the SEBI LODR Regulations

In case the subsidiary does not have audited financial statements for a period of at least one year, a Related Party Transaction above Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, shall require prior approval of the Audit Committee of the Company if the value of such transaction exceeds the lower of:

- (a) ten per cent of the aggregate value of the paid-up share capital and securities premium account of the subsidiary; or
- (b) the applicable materiality threshold for Related Party Transactions of the Company under Regulation 23(1) of the SEBI LODR Regulations



Provided that the aggregate value of the paid-up share capital and securities premium account of the subsidiary shall be taken as on a date not older than three months prior to the date of seeking approval of the Audit Committee.

- iii) Prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which a listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of the SEBI LODR Regulations are applicable to such listed subsidiary.

Explanation: For Related Party Transactions of unlisted subsidiaries of a listed subsidiary referred to above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

- iv) Remuneration and sitting fees paid by the Company or its subsidiary to a director, Key Managerial Personnel or senior management shall not require approval of the Audit Committee under Regulation 23 of the SEBI LODR Regulations, provided that such person is not part of the promoter or promoter group and such remuneration or sitting fees are not material in terms of Regulation 23(1) of the SEBI LODR Regulations.

- v) **turnover**, as per the latest audited financial statements of the listed entity.

A Related Party Transaction to which a 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 where the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds prescribed under Regulation 23(2) of the SEBI LODR Regulations, as applicable from time to time.

For the purpose of this policy, the term “Material Modification(s)” shall mean and include such modification which:

- (i) has the effect of changing the monetary value of approved related party transactions, whether approved by Audit Committee or shareholders, as the case may be, by 20%, or
- (ii) has the effect of making the transaction not in ordinary course of business and/or Arm's length basis, if the said transactions were approved as such.

Omnibus Approval

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, 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 listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
- c) the omnibus approval shall specify:
 - i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
 - ii) the indicative base price / current contracted price and the formula for variation in the price if any; and
 - iii) such other conditions as the audit committee may deem fit.

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 rupees one crore per transaction.

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

The Audit Committee shall periodically review the Related Party Transactions entered into pursuant to the omnibus approvals granted by it and satisfy itself regarding compliance with the terms and conditions of such approvals.

Minimum Information for Approval

The Company shall place before the Audit Committee and shareholders, as applicable, the information prescribed under the applicable SEBI circulars and Industry Standards from time to time.

4.2 APPROVAL OF BOARD OF DIRECTORS

Where a Related Party Transaction falls within the scope of Section 188(1) of the Companies Act, 2013, the same shall be subject to approval of the Board of Directors at a meeting, to the extent required under Section 188 and the rules made thereunder, subject to the exemptions available under applicable law.



4.3 APPROVAL OF SHAREHOLDERS OF COMPANY

All transaction given in Annexure-1, Material Related Party Transactions and subsequent modification(s) shall be placed before the shareholders for their approval and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

However, the requirement for obtaining shareholders' approval is not applicable for the transactions entered into between:

- a) transactions entered into between two public sector companies
- b) 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;
- c) two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- d) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- e) transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

6. DISCLOSURE

Every contract or arrangement entered into under Section 188(1) of the Companies Act, 2013 shall be referred to in the Board's Report to the shareholders along with the justification for entering into such contract or arrangement, in accordance with Section 188(2) of the Companies Act, 2013.

The particulars of contracts or arrangements with Related Parties referred to in Section 188(1) shall be disclosed in the prescribed e-Form AOC-2, as applicable under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company shall make such additional disclosures of Related Party Transactions as are required under Regulation 23 of the SEBI LODR Regulations and applicable SEBI circulars.



7. VIOLATION

Any Related Party Transaction entered into without the approval required under applicable law shall be dealt with in accordance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and applicable rules/circulars. Where statutory ratification is permitted, the same shall be undertaken strictly in accordance with the conditions prescribed under applicable law.

8. REVIEW AND AMENDMENT

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate. The Board shall also review the policy atleast once every three years and amend it, if required.

9. WEBSITE

This Policy shall be hosted on the website of the Company in accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and a web link thereto shall be disclosed in the Annual Report, wherever applicable.

By and on Behalf of Board of Directors
For ITwings Infosystem Limited
(Formerly known as ITwings Infosystem Private Limited)



Kumar Bachchan
Chairman & Managing Director
DIN: 07985461





“ANNEXURE-1”

THRESHOLDS FOR SHAREHOLDER APPROVAL UNDER SECTION 188 OF THE COMPANIES ACT, 2013 READ WITH RULE 15 OF THE COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014

Where a contract or arrangement falls within Section 188(1) of the Companies Act, 2013 and is not exempt under the provisions of Section 188, prior approval of the members by way of an ordinary resolution shall be required where the transaction or transactions, entered into individually or taken together with previous transactions during the financial year, amount to or exceed the applicable thresholds prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.:

S. NO.	SPECIFIED TRANSACTIONS	THRESHOLD
1.	sale, purchase or supply of any goods or materials, directly or through the appointment of agent	ten percent or more of the turnover of the company
2.	Selling or otherwise disposing of or buying a property of any kind, directly or through the appointment of an agent,	ten percent or more of net worth of the company
3.	Leasing of property any kind	ten percent or more of the turnover of the company
4.	Availing or rendering of any services, directly or through the appointment of an agent,	ten percent or more of the turnover of the company
5.	Appointment to any office or place of profit * in the Company, it's subsidiary company or associate Company	Monthly remuneration exceeding two and a half lakh rupees
6.	Remuneration for underwriting the subscription of any securities or derivatives thereof	exceeding one percent of the net worth

***Office or place of profit**” means any office or place:

- 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;
- 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;

