

ONE POINT ONE SOLUTIONS LIMITED
POLICY FOR RELATED PARTY TRANSACTIONS

1. Introduction

One Point One Solutions Limited (hereinafter referred to as “The Company”) recognizes that Related Party Transactions (as defined below) may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Company and its shareholders’ best interests and in compliance to the provisions of the Companies Act, 2013 (‘CA’) and subsequent amendments thereto.

The Board of Directors of the Company has adopted the following policy and procedures with regard to Related Party Transactions (RPT). The Audit Committee will review and may amend the policy as and when required subject to approval of the Board.

2. Purpose

The objective of this policy is to ensure proper approval, disclosure and reporting of transactions as applicable under the CA, between the Company and any of its related parties, in the best interest of the Company and its stakeholders.

3. Applicability and Governing Law

The RPT Policy will be applicable to the Company with respect to all Related Party Transactions covered within the scope of Section 188 of the CA.

Existing contracts entered into by the Company (after making necessary compliances under section 297 of the Companies Act, 1956) which already came into effect before the commencement of Section 188 of the Act, will not require fresh approval under the said section 188 (from the board or members, as the case may be) till the expiry of the original term of such contracts. However, if any modification in such contract is made on or after 1st April, 2014, the requirements under Section 188 of the Act, will have to be complied with.

This Policy on RPTs shall be governed by the CA read with Rules made thereunder, as may be in force for the time being or such other applicable Rules/Regulations, as may be notified from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4. Definitions

a. Act:

“Act” means the Companies Act, 2013 including any amendment or modification thereof.

b. Arm's Length Transaction:

"Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated.

c. Associate:

"Associate" means a company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements".

d. Audit Committee:

"Audit Committee" means the Committee of the Board formed under section 177 of the Act.

e. Body Corporate:

"Body Corporate" means an entity as defined in Section 2(11) of the Companies Act, 2013.

f. Company:

"Company" means One Point One Solutions Limited.

g. Director:

"Director" means a person as defined in Section 2(34) of the Companies Act, 2013.

h. Employees:

"Employees" shall mean the employees and office-bearers of the Company, including but not limited to Whole Time Directors.

i. Key Managerial Personnel:

"Key Managerial Personnel" shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed there under.

j. Material Related Party Transaction:

"Material Related Party Transaction" is a transaction with a RC 49 Related Party which shall be considered material if the 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.

k. Ordinary Course of Business:

"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 & Articles of Association.

l. Relative:

"Relatives" with reference to any person shall have the meaning as defined in Section 2(77) of the Companies Act, 2013 read with clause 4 of The Companies (Specification of definition details) Rules, 2014.

m. CA Related Party:

"CA Related Party", with reference to a company, shall have the meaning of related party as defined in Section 2(76) of the Companies Act, 2013;

n. CA Related Party Transaction:

"CA Related Party Transaction" means, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Act;

o. Related Party Transaction:

Related Party Transaction means CA Related Party Transaction or. A "Transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

p. Subsidiary:

"Subsidiary" means a company as defined in Section 2(87) of the Companies Act, 2013.

q. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Securities Contract Regulation Act or any other applicable law or regulation.

5. Related Party Transactions Under the Policy

a. Any transfer of Goods, resources, services or obligations between the company and a related party, would get covered as a 'Related Party Transaction', whether or not, there is an element of consideration or price.

b. Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing advance notice to the Board or Audit Committee of any potential Related Party Transaction involving him/her or his/her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy

c. Procedure for Identification of Potential Related Parties

The Company Secretary or the Compliance Officer (as the case may be) shall at all times maintain a database of Company's Related Parties, identified on the basis of the definition set forth in the Key Definition section above, along with their personal/company /entity details including any revisions therein.

d. Prohibited Related Party Transactions

Any transaction with a Related Party can be undertaken only if it is in compliance with the provision of CA.

6. Approval Process Under the Policy

All Related Party Transactions (before being entered into) must be reported to the Audit Committee for its approval in accordance with this Policy.

a. Prior Approval of Audit Committee

All Related Party Transactions of the Company as prescribed under the Act shall require prior approval of Audit Committee, whether at a meeting or by Resolution by circulation. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

b. Prior Approval of Board of Directors Under Companies Act 2013

CA Related Party Transactions with the CA Related Parties, which are either not in the Ordinary Course of Business or are not at Arms' Length shall require prior approval of the Board of Directors.

In the above context, where any director is interested in any contract or arrangement with a CA Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

c. Prior Approval of Shareholders'

Shareholder's approval shall be sought in the following cases as per the requirements of Companies Act 2013:

- CA Related Party Transactions with the CA Related Parties; which are either not in the 'Ordinary Course of Business' or are not on an 'arm's Length Basis' and exceeds the threshold under section 188 of the Companies Act 2013 shall also require prior approval of the shareholders through special resolution.
- No member of the Company shall vote in a special resolution where a related party contract or arrangement is being considered if such a member is a CA Related Party in the context of the contract or arrangement which is being considered.

However, the above shall not be applicable to transactions between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

7. Related Party Transactions Not Approved Under This Policy

In the event the Company becomes aware of a Related Party Transaction with a CA Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

8. Transactions at Arm's Length

The Company assesses on a regular basis, whether transactions with related parties are done at an arm's length and company adopts generally accepted practices and principles in determining whether the transaction is at "arms' length".

9. Guiding Principles for Approval of a Related Party Transaction by the Board/ Audit Committee

To review a Related Party Transaction, the Board/ Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction and any other matter, as may be required. In determining whether approval needs to be accorded to a Related Party Transaction, the Board/ Audit Committee will consider the following factors:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether the Related Party Transaction would impair the independence of an otherwise Independent Director;

- Whether the Related Party Transaction would present an improper conflict of interest for any Director, or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, KMP or other Related Party, the direct or indirect nature of the Director, KMP or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deem fit to consider.

10. Amendments in Law

Any subsequent amendment/modification in the Act in this regard shall automatically apply to this policy.

11. 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. Details of such disciplinary proceedings will form part of the personal file of such employee 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 Companies Act, SEBI (LODR) Regulations, 2015, Securities Contract Regulation Act, 1956 or the employee standing order of the Company.

12. Disclosure of Related Party Policy

This policy shall also be uploaded on the website of the Company at www.1point1.in.