

EAST WEST HOLDINGS LIMITED
(Formerly Bullish Bonds & Holdings Ltd)

POLICY ON
RELATED PARTY TRANSACTIONS

POLICY ON RELATED PARTY TRANSACTIONS

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time

1. INTRODUCTION

A company, in the course of conduct of its business, enters into various transactions with different parties, including its related parties. While entering into a contract or arrangement with a related party, such related party may get favoured treatment in terms of pricing or on some other conditions (such as credit period) which may affect the financial position or profit and loss of the Company concerned. Hence the law contains detailed compliance and disclosure with respect to the transaction with related parties.

Every transaction with a related party may not be a 'related party transaction' although every 'related party transaction' is necessarily a transaction with a related party.

Transactions with related parties need not always be disadvantageous to the parties concerned. The concern arises only when there is abuse of a related party transaction on account of conflict of interest and non arms length dealing which to a related party but detrimental to the other stakeholders. Transactions with related parties raise important concerns and hence transparency in such transactions is essential. Therefore the law requires certain specific compliance with respect to related party transaction.

2. APPLICABILITY

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

Transactions covered by this policy include any contract or arrangement with a Related Party with respect to transactions defined hereunder as "Related Party Transaction".

3. PURPOSE OF THE POLICY

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

This policy intends to comply with the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation 23") and as amended from time to time. Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. **EAST WEST HOLDINGS LTD** (Formerly Bullish Bonds & Holdings Ltd) is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time. In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy").

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. The Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

4. ABOUT THE COMPANY

East West Holdings Limited (EWHL) (Formerly Bullish Bonds & Holdings Ltd) incorporated in 1981 is engaged in providing total logistic solution through its Wholly Owned Subsidiary (WOS) **East West Freight Carriers Limited (EWFCL)** established in 1976 and has presence in the Indian Freight Forwarding & Logistics space for more than 40 years. EWFCL is ranked as India's leading air freight forwarding Companies operating in Asia, Middle East, USA, Europe, Africa and Australia.

5. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out

- a) the materiality thresholds for related party transactions and;
- b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

6. DEFINITIONS:

- a. **"Act"** means the Companies Act, 2013.
- b. **"SEBI Listing Regulations"** means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
- c. **"Regulation 23"** means the Regulation No. 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.
- d. **"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.
- e. **"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. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.
- f. **"Company"** means EAST WEST HOLDINGS LIMITED.
- g. **"Relative"** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- h. **"Related Party"** have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.
- i. **"Related Party Transaction"** have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended, transfer of resources, services or obligations between a listed entity and a related party, regardless of whether 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, including but not limited to the following –
 - sale, purchase or supply of any goods or materials;
 - selling or otherwise disposing of, or buying, property of any kind;

- leasing of property of any kind;
 - availing or rendering of any services;
 - appointment of any agent for purchase or sale of goods, materials, services or property;
 - appointment to any office or place of profit in the company
 - underwriting the subscription of any securities or derivatives thereof, of the company.
- j. **“Material Related Party Transaction”** means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. In case of payment to a Related Party for brand usage or royalty the materiality threshold will be 2% (two percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company “.
- k. **“Key Managerial Personnel”** or **“KMP”** shall have the meaning as defined in the Companies Act 2013 and as amended from time to time. 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 or any other applicable law or regulation and as amended from time to time.

7. MATERIALITY THRESHOLDS:

Regulation 23 of the SEBI Listing Regulations requires a Company to formulate a policy on materiality of related party transactions and on dealing with related party transactions beyond which approval of the shareholders through resolution will be required.

EAST WEST HOLDINGS LTD has fixed the following Materiality Threshold for determination of materiality of related party transactions:

1. 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, exceed 5% of the annual consolidated turnover of the Company as per its last audited financial statements.
2. Other 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 10% of the annual consolidated turnover of the annual consolidated turnover of the Company as per its last audited financial statements.

None of the Related Parties of a Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not. Provided that approval from shareholders will not be required for Material Related Party Transaction in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognize stock exchange within one day of the resolution plan being approved.

8. MANNER OF DEALING WITH RELATED PARTY TRANSACTION:

8.1 Identification of Related Parties:

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

8.2 Identification of Related Party Transactions:

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the 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. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION:

A. Approval of the Audit Committee:

1. Every Related Party Transaction shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards.

Provided that the transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require prior approval of the Audit Committee.

2. The Audit Committee shall also review the statement of significant Related Party transactions submitted by management as per its terms of reference.
3. Any member of the Committee who has a potential interest in any Related Party Transaction shall not remain present at the meeting when such Related Party Transaction is considered.
4. To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.
5. The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.

B. Omnibus Approval by Audit Committee:

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company 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 company 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 Company;
- c. Such omnibus approval shall specify:-
 - i. the name/s of the related party, nature of transaction. period of transaction, maximum amount of transaction that can be entered into;
 - ii. 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;

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the

contract or arrangement have been varied / amended. Any proposed variations amendments to these factors shall require a prior approval of the Committee.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval

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.

- a. Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- b. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

C. Approval of the Board of Directors of the Company:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- b. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- c. Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval
- d. Transactions meeting the materiality thresholds laid down in Clause 7 of the Policy, which are intended to be placed before the shareholders for approval.

D. Approval of the Shareholders of the Company:

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 7 of the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative vote to reject the shareholders resolution on material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' approval for Material Related Party Transactions shall not be applicable for the following cases:

- Transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

- transactions entered into 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.

10. DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

11. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit 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 Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

12. REVIEW OF THE POLICY

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated there under and Listing Regulations and must be approved in the manner as may be decided by the Board of Directors.
