

## **RELATED PARTY TRANSACTIONS POLICY**

### **1. The Policy**

Techindia Nirman Limited shall engage with Related Parties in the ordinary course of business and on an arm's length basis to leverage scale, size and drive operational synergies to provide value added, innovative products to its consumers while ensuring that transactions with Related Parties are, fully compliant with applicable Regulations.

### **2. Objective of the Policy**

The Board of Directors (“the Board”) of Techindia Nirman Limited “TNL” or “the Company”), after considering the recommendation of the Audit Committee, has adopted this policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

### **3. Definitions and Applicability**

All capitalized terms used in this policy document but not defined herein shall have the meaning ascribed to such term in the Companies Act, 2013 and the Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This policy is applicable to Techindia Nirman Limited. The Policy may be adopted by the Board of Directors of subsidiary companies if any. Accordingly, the terms 'Company', 'Board of Directors', 'Audit Committee', 'Nomination and Remuneration Committee', 'Corporate Social Responsibility Committee' shall be construed with reference to the respective companies. In case the Company is not required to constitute any of the Committee as per the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the reference to the Committees in this policy shall be read as the 'Board of Directors'.

This policy shall be applicable to all Related Party Transactions entered into. The Audit Committee of the Company shall review all existing related party transactions as a matter of good governance and agree on corrective steps, if required, to ensure that the transactions entered are in the ordinary course of business and are on an arm's length basis.

The Policy shall be reviewed by the Board of Directors of the Company at least once every three years and updated accordingly.

#### **4. Dealing with Related Party Transactions**

All Related Party Transactions and subsequent material modifications as explained below shall require prior approval of the Audit Committee of the Company in accordance with this policy.

In dealing with Related Party Transactions, the Company will follow the following approach:

#### **I. Identification of Related Party Transactions and Subsequent material modifications**

##### **(a) Identification of Related Party Transactions**

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company. Only those members of the audit committee, who are independent directors, shall approve related party transactions.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors, Members of the Management Committee and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

##### **(b) Subsequent Material Modifications**

All the modifications to the approved transactions shall be considered as material modification if, post approval the transaction value approved by the Audit Committee exceeds by 25% or any other thresholds, which the Audit Committee may deem fit and proper and determine from time to time.

### **(c) Material related party transactions**

A 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 ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company. However, from April 1, 2022, a 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower (“**Material RPT**”). Notwithstanding the foregoing, a transaction involving 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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

All Material RPT as mentioned above will be placed before the shareholders of the Company for their approval in addition to approval from the Audit Committee. Any modification to the above-mentioned thresholds for determination of Material RPT, except such changes as may be permitted under applicable law, will be construed as material modification which will require an approval from the Audit Committee and will also be placed before the shareholders for their approval.

No Related Party shall vote to approve such resolutions as mentioned above whether the entity is a Related Party to the particular transaction or not.

## **II. Review and Approval of Related Party Transactions**

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company in accordance with this policy, provided that only such members of the Audit Committee who are Independent Directors, shall approve such Related Party Transactions.

All Related Party Transactions must be reported to the Company Secretary who shall submit the same for the prior approval by the Audit Committee in accordance with this policy.

The Audit Committee shall grant omnibus approval to Related Party Transactions that are:

- a. repetitive in nature; and/or
- b. entered in the ordinary course of business and are at Arm's Length. The expression Arm's Length has the meaning ascribed to it under Section 188 of the Companies Act, 2013.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- (a) The transaction in question is necessary to be executed as it is in the business interest of the Company;

- (b) If the transaction to be entered into with a Related Party is concerning technology transfer, intellectual property or specialized services that are proprietary in nature;
- (c) The requisite information is presented to the Audit Committee's satisfaction, to confirm that the transaction is at Arm's Length and in ordinary course of business;
- (d) 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 value and the formula for variation in the value, if any and
  - (iii) such other conditions as the Audit Committee may deem fit; Provided that where the need for related party transactions 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 1 crore per transaction.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall on quarterly basis review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

In an unforeseen event where a Related Party Transaction, for which Omnibus approval has not been given by the Audit Committee, needs to be entered due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such Related Party Transaction by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company.

Any member of the Audit Committee, who has a potential interest in any Related Party Transaction, will recuse him or herself and abstain from voting on the approval of such Related Party Transaction. Such member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Audit Committee.

All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any member of the Board who has a potential interest in such Related Party Transaction will recuse him or herself and abstain from voting on the approval of such Related Party Transaction. Such member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.

### **III. Transactions that shall not considered as a Related Party Transaction (with effect from April 1, 2022)**

- 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;

- Following corporate actions by the Company 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.

#### **5. Related Party Transactions that do not require approval of shareholders under the Policy**

The following Related Party Transactions shall not require approval of shareholders.

- transactions entered between the Company and its wholly owned subsidiaries whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval; and
- 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 general meeting for approval (with effect from April 1, 2022).

#### **6. Disclosure(s)**

Details of all Material Related Parties Transactions shall be disclosed, on quarterly basis, along with the compliance report on corporate governance, to the Stock Exchanges.

The Company shall disclose the policy on dealing with Related Party Transactions on its website and provide weblink in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

However with as per the SEBI Listed Regulation as amended, the Company shall make disclosures of related party transactions to the stock exchanges every six months immediately on same day of publication of its standalone/ consolidated financial results in such format as specified by SEBI from time to time and publish the same on the website of the Company. Further, with effect from April 1, 2023 the Company shall make the above mentioned disclosures every six months on the date of publication of its standalone and consolidated financial results.

#### **7. Amendments to the Policy**

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.



Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. 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.

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