

RELATED PARTY TRANSACTION POLICY

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1. Preamble

The Board of Directors (the “Board”) of Triveni Power Transmission Limited has, on the recommendation of the Audit Committee, approved and adopted this Policy with regard to related party transactions (RPTs), in order to set forth a mechanism for identification, reporting, review and approval of such transactions, in line with the relevant provisions of the Companies Act, 2013 read with Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circulars issued thereof and RPT Industry Standards, as amended from time to time.

2. Purpose

This Policy is framed to regulate transactions between the Company and its related parties and is intended to ensure that all such transactions take place after due evaluation and obtaining requisite approvals including Audit Committee and Shareholders, wherever required, as prescribed under the applicable laws and regulations. There is a proper reporting and disclosure of such transactions between the Company and its Related parties. The policy sets up a mechanism to ensure that such transactions take place in an equitable manner, in the best interest of the Company and its shareholders and no undue benefit is given to the Related Parties. The Company has adopted the practice of conducting transactions with related parties on an arm’s length basis, ensuring they are in the ordinary course of business and aligned with transparent and ethical standards.

3. Definitions

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

“**Arm’s-length basis**” means a transaction between two Related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determination of Arm’s length basis, guidance may be taken from provisions of transfer pricing under Income Tax Act, 1961.

“**Audit Committee or Committee**” means the committee of Board of Directors of the Company constituted under relevant provisions of the Listing Regulations and Act.

“**Board**” means the Board of Directors of the Company

“**Company**” means Triveni Power Transmission Limited

“**Key Managerial Personnel/KMP**” means the person(s) as defined under the Act and the Listing Regulations as amended from time to time and includes any person so designated by the Board of Directors of the Company as KMP.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by Securities and Exchange Board of India (“SEBI”), Stock Exchanges and other competent authorities from time to time.

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time.

“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 such threshold as may be prescribed under the Listing Regulations and Act from time to time.

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) to be entered individually or taken together with previous transactions during a financial year exceed five percent of the annual consolidated turnover of the Company as per its last audited financial statements, or such other threshold as may be prescribed under the Listing Regulations and Act from time to time.

“Material modification” means any subsequent change, to an on-going or proposed Related party transaction, as originally approved by the Audit Committee and/or shareholders, as the case may be, which has the effect of varying the approved value of the transaction by 20% and for an amount of Rs.10 lakh or more.

“Policy” means Related party transaction policy.

“Related party” means a related party as defined under the Act and the Listing Regulations, as amended from time to time.

“Related party transaction/RPT” means a related party transaction as defined under the Act and the Listing Regulations, as amended from time to time.

However, in terms of Listing Regulations, the following shall not be considered as a related party transaction of the Company:

- (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) corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.
- (c) retail purchases from the Company or any of its subsidiaries by its directors or employees, without establishing any business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

“Relative” means a relative as defined under the Act and the Listing Regulations, as amended from time to time.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules framed thereunder and Listing Regulations, as amended from time to time.

4. Monitoring Committee

A committee of the CFO and the Company Secretary will be responsible for setting up a system to identify, regulate, analyze and seek approval of such transactions. The monitoring committee will analyze Related party transactions to evaluate whether or not the transactions are in the ordinary course and are at Arm’s length basis. The committee may seek help of other management personnel or external agencies, if required.

5. Identification of Related Party Transactions

The Company shall formulate guidelines for identification of related party transactions in accordance with relevant provisions of the Act and the Listing Regulations, and determining whether the transaction is in the ordinary course of business and at arm’s length basis and for this purpose, the Company will seek external expert opinion, if necessary.

Once the related party transactions are identified, the Management shall place applicable disclosures in the standard format specified in the RPT Industry Standards issued from time to time before the Audit Committee and shareholders (as applicable) for seeking their approval

6. Process and procedure for dealing with related party transactions

A. Approval of Audit Committee

1. Prior approval of the Audit Committee shall be required for –
 - (i) All RPTs and subsequent modifications (including material modifications) as per the requirements of the Act and the Listing Regulations.
 - (ii) RPTs (including material modifications thereof), to which a subsidiary of the Company is a party but the Company is not a party, if the value of the transaction, whether entered individually or taken together with previous transactions during the financial year, exceeds the threshold limits prescribed under the Listing Regulations, as amended / applicable from time to time.
2. The Audit Committee may grant omnibus approval for certain Related Party Transactions subject to the compliance of conditions contained in the Listing Regulations and / or under the Act read with the Rules. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each omnibus approval given.
3. Only those members of the Audit Committee, who are independent directors, shall approve the RPTs.

4. Prior approval of the Audit Committee of the Company shall not be required for-

- 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.
- 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.
- Related Party Transactions (including material modifications thereof), where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulation.

B. Approval of the Board of Directors

Prior approval of the Board of Directors shall be required for –

- (i) All related party transactions which are not determined to be at Arm's-length basis or which are not in the ordinary course of business of the Company.
- (ii) Material Related Party Transaction(s) or its subsequent modifications, as per the requirements of the Act and the Listing Regulations.
- (iii) Such related party transactions in respect of which the Audit Committee determines that it should be brought to the attention of the Board, or if the Board in any case decides to review any transactions or it is mandatory under any law for Board to approve such related party transaction.

Any member of the Board who has a potential interest in any related party transaction will rescue and abstain from discussion or voting on the approval of such related party transaction.

C. Approval of Shareholders

Prior approval of the shareholders shall be required for –

- (i) Material Related Party Transactions (including material modifications thereof) as per Regulation 23 of the Listing Regulations, or
- (ii) Related Party Transactions which are not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act.

The voting on resolutions pertaining to above transactions shall be in accordance with the provisions of the Act and the Listing Regulations, as amended, read with the respective circulars/clarifications or notifications issued in this regard by the Ministry of Corporate Affairs, SEBI, Stock Exchanges and other competent authorities from time to time.

The Company shall place such minimum information, as specified in Industry Standards read with the provisions of Listing Regulations and Act as well as such additional information and certification as may be specified from time to time, for review of the Audit Committee, Board and the Shareholders, as applicable, while seeking prior approval of the proposed RPTs.

7. Related party transactions not approved under this Policy

In the event the Company becomes aware of a Related party transaction with a Related party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval/ratification from the Audit Committee, the Board and/or Shareholders, as may be required under the applicable laws / regulations. In case the Company is not able to take such prior approval(s), as the case may be, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical, but not later than three months from the date it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy. Failing to do so, the contract or transaction shall be voidable at the option of the Audit Committee /Board / Shareholders, as the case may be, and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.

8. Disclosure

- The Company shall disclose in the Board's report, the particulars of contracts or arrangements entered into with the Related Parties in such form and manner as may be required under the relevant provisions of the Act.
- The Company shall furnish disclosure of the related party transactions to stock exchanges where the Company's securities are listed, in the format as specified by the SEBI/stock exchanges from time to time within the statutory timelines. The Company shall simultaneously upload the disclosure at its website.
- The Company shall disclose this Policy on its website and also a web link thereto shall be provided in its annual report. The Policy shall also be communicated to all operational employees and other concerned persons of the Company.

9. Policy Review/Amendment

The Board may as per the recommendations of audit committee amend this Policy, as and when deemed fit. However, this Policy shall be reviewed by the Board of Directors of the Company at least once in every three years and updated accordingly.

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws, Industry Standards in this regard shall automatically apply to this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), modification(s), clarification(s), circular(s) etc.
