



Policy on Related Party Transactions

Time Technoplast Limited

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1. OBJECTIVE:

The objective of this Policy is to regulate transactions between Time Technoplast Limited (**"the Company"**) and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Party.

Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (**"Act"**) read with the rules framed there under and Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated April 17, 2014 and September 15, 2014), the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. DEFINITIONS:

- Following are the key definitions with respect to Related Party and Related Party Transactions as per the Companies Act 2013:
 - i. **"The Act"** means the Companies Act, 2013, together with the rules notified there under including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as "Act").
 - ii. **"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.
 - iii. **"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 definition, 'significant influence' means control of at least 20% of the total share capital, or of business decisions under an agreement.

- iv. **"Audit Committee"** means Committee of Board of Directors of the Company constituted under the provisions of the Act and Listing Agreement with the Stock Exchanges.

- v. **“Board of Directors”** or **“Board”**, in relation to a Company, means the collective body of the directors of the Company.
- vi. **“Body Corporate”** or **“Corporation”** includes a Company incorporated outside India, but does not include;
- A co-operative society registered under any law relating to co-operative societies; and
 - Any other body corporate (not being a company as defined in this Act), which the Central Government may, by notification, specify in this behalf.
- vii. **“Key Managerial Personnel”** or **“KMP”** means:
- the Chief Executive Officer or the managing director or the manager;
 - the Company Secretary;
 - the Whole-time director; and
 - the Chief Financial Officer
- viii. **“Material Related Party Transaction”** means a transaction with a Related Party if the *transaction(s) to be entered into individually or taken together with the previous transaction(s) 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 prepared in accordance with the Act.*
- ix. **“Relative”**, with reference to any person, means anyone who is related to another in any of the following manner:
- a. they are members of a Hindu Undivided Family
 - b. they are husband and wife
 - c. Father (including step-father)
 - d. Mother (including step-mother)
 - e. Son (including step-son)
 - f. Son’s wife
 - g. Daughter
 - h. Daughter’s husband
 - i. Brother (including step-brother)
 - j. Sister (including step-sister)

- x. **“Related Party”** is a person or an entity which is:
- a director or his relative
 - a key managerial personnel or his relative;
 - a firm, in which a director, manager or his relative is a partner;
 - a private company in which a director or manager *or his relative* is a member or director;
 - a public company in which a director or manager is a director *and holds* along with his relatives, more than two percent of its paid up share capital;
 - a 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 (*Not applicable to the advice, directions or instructions given in a professional capacity*);
 - any person whose advice, directions or instructions a director or manager is accustomed to act (*Not applicable to the advice, directions or instructions given in a professional capacity*);
 - a company which is holding, subsidiary or associate company of such company or;
 - fellow subsidiaries
 - a Director (*other than an independent director*) or KMP of holding company or his relative with reference to a company, shall be deemed to be a related party
- xi. **“Related Party Transaction”** means a transaction involving transfer of resources, services or obligations between the Company and a Related Party, regardless of whether price is charged and includes following transactions:
- 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. 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

Explanation: Related Party Transaction includes a single transaction or group of transactions in a contract, with a related party.

3. POLICY:

All Related Party Transactions must be reported to the Audit Committee and referred for approval of the Committee or the Board or the Shareholders as required under this Policy.

❖ **IDENTIFICATION OF RELATED PARTY TRANSACTIONS:**

i. Companies:

All the Holding, Subsidiaries and Associate Companies will be considered as Related Parties.

ii. Key Managerial Personnel and connected Related Parties:

Each Director and Key Managerial Personnel shall disclose to the Company Secretary of the Company its Related Parties and Board shall record the disclosure of Interest.

Company shall also identify Related Party Transactions with Directors or Key Managerial Personnel of the Subsidiary Companies or their relatives.

❖ **APPROVAL FOR RELATED PARTY TRANSACTIONS :**

The Company shall not enter into any Related Party Transaction except as stated hereinafter.

Transactions requiring approval of Audit Committee:

- All Related Party Transactions shall require approval of the Audit Committee.
- Except for transactions between the Company and its wholly owned subsidiary/(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company for approval ("WOS"), all Related Party Transactions shall require a prior approval of Audit Committee.

*Provided that **any related party transaction** which is not in the ordinary course of business or not at arm's length price shall require a prior approval of the Audit Committee.*

Transactions requiring approval of Board:

Following transactions shall require a prior approval of the Board:

- Related Party Transactions which are not in the ordinary course of business or not at arm's length price.
- Material Related Party Transactions.

Transactions requiring approval of Shareholders of the Company:

- All **Material Related Party Transactions** shall require approval of the Shareholders of the Company by way of a Special Resolution passed at the general meeting of the Company; and all Related Parties shall abstain from voting on such resolution irrespective of whether the entity is a party to the particular transaction or not; **OR**
- All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require a approval of the Shareholders by way of a special resolution passed at the general meeting of the Company; and in such cases, the Related Party/(ies) to the transaction shall abstain for voting on such resolution.

❖ **APPROVAL & REVIEW MECHANISM:**

- While seeking the approval of the Audit Committee, Board or the Shareholders, all the information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws shall be duly provided to the Audit Committee, Board or Shareholders as the case may be.
- In case of Related Party Transactions which are repetitive in nature, the Audit Committee may grant an omnibus approval for a period not exceeding one year for the transactions proposed to be entered into by the Company in the manner and to the extent prescribed under the laws. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- In case of any Related Party Transactions that cannot be foreseen or transactions in respect of which complete details are not available, the Audit Committee may grant an omnibus approval for such transactions provided that the value does not exceed Rupees One crore per transaction in a financial year.

- Any Director or Key Managerial Personnel who is interested in any Related Party Transaction shall not be present at the meeting of the Board or Audit Committee during discussions on the subject matter of the resolution relating to such transaction.
- The Audit Committee shall review, on a quarterly basis, the details of all Related Party Transactions entered into by the Company.

4. DISCLOSURE:

Appropriate disclosure as required under the Laws shall be made in the Annual Returns, Boards' Report and such other places and to the Stock Exchanges and such other authorities as may be prescribed by the laws.

5. ADMINISTRATIVE MEASURES:

Management shall institute appropriate administrative measures to ensure that all related party transactions are in compliance, and are reviewed in accordance with, this policy. All persons dealing with Related Parties will, irrespective of the level, be responsible for compliance with the policy. All Functional Heads will certify compliance with this policy, on a periodic basis, to the Audit Committee through Legal and Secretarial team.
