



Time Technoplast Ltd.

Policy on Related Party Transactions

1. Preamble

The Board of Directors (“Board”) of Time Technoplast Limited (the “Company”) has adopted the following policy with regard to related party transactions (“RPT”) pursuant to the provisions of Section 177, 188 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as amended from time to time and the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) as amended from time to time and any other laws and regulations as may be applicable to the Company.

2. Objective

The objective of this policy is to set out the materiality thresholds for related party transactions (RPTs), the manner of dealing with the RPTs based on the Act, SEBI LODR and any other laws and regulations that may be applicable. This forms guidelines for identification of related parties and proper conduct and documentation for all RPTs.

3. Definitions

3.1 “Act” shall mean the Companies Act, 2013 read with the rules framed thereunder and each as amended from time to time;

3.2 “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. For determination of Arm’s Length basis, guidance may be taken from the provisions of ‘Transfer Pricing’ under Income Tax Act, 1961;

3.3 “Audit Committee” shall mean the Audit Committee constituted by the Board of the Company from time to time, in accordance with the provisions of the Act and SEBI LODR;

3.4 “Board” shall mean the collective body of the directors of the Company constituted from time to time in line with the provisions of section 2 (10) the Act and SEBI LODR;

3.5 “Key Managerial Personnel” shall mean key managerial personnel as defined under Section 2(51) of the Companies Act, 2013;

3.6 “Related Party” with reference to the Company, shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI LODR each as may be amended from time to time;

3.7 “Related Party Transaction” or “RPT” means such transactions as specified under Section 188 of the Act or rules made thereunder and Regulation 2(1)(zc) of the SEBI LODR, including any amendments or notification thereof as may be applicable;

3.8 “Relative” means relative as defined under section 2 (77) of the Act and rules prescribed thereunder and Regulation 2(1)(zd) of the SEBI LODR each as amended from time to time;

3.9 “Material Modification” of related party transaction shall mean and include any subsequent change to an existing related party transaction, having variance of + 20% of the existing limit as sanctioned by the Audit Committee/ Board/Shareholders as the case may be;

3.10 “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 the Memorandum and Articles of Association;

3.11 “SEBI LODR” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time and any circulars, notifications or clarifications issued thereunder from time to time by the Securities and Exchange Board of India.

All capitalized terms or 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 the SEBI LODR, as amended from time to time.

4. Materiality Thresholds

A Related Party Transaction shall be considered material in terms of the provisions of materiality for RPTs as set out under Regulation 23(1) of the SEBI LODR, as amended from time to time and the provisions of the Act or rules framed thereunder, each as amended and applicable to the Company from time to time.

Further, in terms of the Regulation 23(1) of the SEBI LODR (as amended) RPT shall be considered material-

- if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceeds Rupees 1000 Crore (One Thousand Crore)

or 10% (ten percent) of the annual consolidated turnover of the Company as per last audited financial statements of the Company whichever is lower;

- if 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 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

5. Manner of dealing with Related Party Transactions

All Related Party Transactions and subsequent material modification must be reported to the Audit Committee for its approval in accordance with this Policy read together with Regulation 23 of SEBI LODR, Section 188 of the Act and rules framed thereunder (each as amended) and any other provisions of applicable law:

- **Identification of Related Parties:**

Each Director and key managerial personnel is responsible for providing notice to the Board/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. The Director and Key Managerial Personnel shall send notice of any potential Related Party Transaction.

The Company will keep list of Related Parties in appropriate computer system. Audit Committee may determine the procedure to be followed for declaration as well as compilation and circulation of the comprehensive list of Related Parties and the Company Secretary ("CS") or the Chief Financial Officer ("CFO") of the Company are authorised to identify and intimate the name of a Related Party to the Board/ Audit Committee.

- **Identification of Related Party Transactions:**

The CS or the CFO or the Managing Director of the Company based on the list of identified Related Parties as mentioned above, in accordance with Section 177 and 188 of the Act and Regulation 23 of SEBI LODR will determine whether a transaction constitute a Related Party Transaction requiring compliance with this policy. The CFO shall contact and discuss with the concerned department / executive of the Company entering into a transaction where such transaction is entered with the Related Party based on the list of the Related Party mentioned above and shall determine if such transaction is a Related Party Transactions. The CFO in discussion

with the concerned department entering into a Related Party Transaction shall establish –

- Whether the transaction is at arm's length?
- Whether the transaction is in the ordinary course of business or whether the transaction is material?
- Whether the transaction is material?

A. Approval of Related Party Transactions by the Audit Committee

- Related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- All the RPTs and any subsequent Material Modifications shall require prior approval of the Audit Committee.
- Any member of the Audit Committee who has an interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.
- In case of a transaction, other than transactions referred to in Section 188 of the Act, it shall make its recommendations to the Board.
- Only those members of the Audit Committee, who are independent directors, shall approve the RPTs.
- The independent directors of the Audit Committee may ratify related party transactions within three months from the date of the transaction or during the immediate next meeting of the Audit Committee, whichever is earlier subject to the following conditions:
 - i. The total value of the ratified related party transactions, whether considered individually or together, during a financial year shall not exceed ₹1 Crore.
 - ii. The transaction(s) being ratified must not be material.

- iii. A rationale explaining why prior approval could not be sought for the transaction must be provided to the Audit Committee at the time of seeking ratification.
- iv. The details of the ratified transaction(s) must be disclosed along with the regular disclosures of related party transactions in accordance with the regulatory requirements (sub-regulation (9)).
- v. The Audit Committee may impose any additional conditions it deems necessary for the ratification process.

If the Audit Committee fails to ratify a related party transaction, it will be deemed voidable at the option of the Audit Committee. In cases where the transaction involves a related party to any director or is authorized by another director, the concerned directors shall indemnify the company against any losses incurred due to the transaction.

- **Omnibus approval of the Audit Committee:**

The Company or its Subsidiary may obtain omnibus approval from the Audit Committee for RPTs. Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year. The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be 25% of the annual consolidated turnover of the Company as per last its audited financial statements and maximum value per transaction.

The Audit Committee must establish criteria for granting omnibus approval, ensuring it aligns with the company's policy on related party transactions, and approval shall be applicable in respect of transactions which are repetitive in nature.

➤ The omnibus approval must include:

- i. Names of the related parties, the nature of the transaction, the period of the transaction, and the maximum amount of transactions that may be entered into.
- ii. The indicative base price or current contracted price along with the formula for any price variations.
- iii. Any other conditions the Audit Committee deems appropriate.

In cases where the specifics of the related party transaction cannot be foreseen, the Audit Committee can grant omnibus approval, provided the transaction value does not exceed ₹1 Crore per transaction.

The Audit Committee must review the related party transactions entered into under omnibus approval at least quarterly.

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions which are not at arm's length or not in the ordinary course of business;
- Transactions which are not repetitive in nature;
- Transactions exceeding materiality thresholds as laid down in this Policy;
- Transactions in respect of selling or disposing of the undertaking of the Company;
- Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

B. Approval of Related Party Transactions by the Board of Directors:

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 at arm's length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a resolution passed at a meeting of the Board. The Company may fit consider necessary and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether a RPT is in ordinary course of business or at arm's length.

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

- Transactions which may be in 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 or other parameters) require Board approval in addition to Audit committee approval.

- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in ordinary course of business or are at arm's length basis and decides to refer the same to the Board for approval.
- Transactions which are in the ordinary course of business and at arm's length basis but which in Audit Committee's view requires Board approval.
- Transactions exceeding the materiality thresholds laid down in this policy, which are intended to be placed before the shareholders for approval.

C. Approval of the shareholders:

All material Related Party Transactions and subsequent Material Modifications as recommended by the Audit Committee shall require prior approval of the shareholders through resolution. In addition, all kinds of transactions which are not in the Ordinary Course of Business or are not at Arm's Length and exceed the materiality thresholds, as defined above and under the Act shall require prior approval of the shareholders. For this purpose, no Related Party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

D. Exclusions:

Notwithstanding the foregoing, the following RPTs shall not require approval of the Audit Committee or the Board or shareholders of the Company:

- Any transaction that involves the providing of compensation to a director or key managerial personnel of the Company in relation with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- Any transaction in which the Related Party's interest arises solely from ownership of the securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

6. Related Party Transactions without Approval

- **Review/ratification by Audit Committee:**

- In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Audit Committee with a period of three months from the date of the transaction.
- The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company including ratification, revision or termination of the RPT.
- The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting of such RPT to the Audit Committee under this policy and shall give directions or take any such actions it deems appropriate.
- In the case where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit 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 RPT, the Audit Committee has the authority to modify or waive any procedural requirements of this policy.

7. Material Subsidiary Companies

A subsidiary shall be considered as material if the turnover or the net worth of the subsidiary exceeds 10% (ten percent) of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

For the purpose of compliance with Regulation 24 of the SEBI LODR:

- I. The material subsidiary shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- II. The Company shall not dispose of shares in its material subsidiary as defined, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent) or cease exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestments is made under a scheme of arrangement duly approved by a court /tribunal

or under as resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- III. Selling disposing and leasing of assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

8. Limitation

In the event of any conflict between the provisions of this policy and of the Act or SEBI LODR or any other statutory enactments, rules, the provisions of the Act, SEBI LODR or statutory enactments, rules shall prevail over this policy.

9. Disclosures

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website.

10. Amendments and Reviews

The Board shall review the policy once in every three years and may amend this policy from time to time after taking recommendations from the Audit Committee into account.

Last Amended on 11th February, 2025