



## **TRISHAKTI INDUSTRIES LIMITED**

### **POLICY ON RELATED PARTY TRANSACTIONS**

Effective- April 28, 2025

[As approved by Board of Directors on April 28, 2025]

#### **Trishakti Industries Limited**

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## **POLICY ON RELATED PARTY TRANSACTIONS**

Trishakti Industries Limited is governed by the Companies Act, 2013, and SEBI regulations, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As mandated, the Company has formulated a policy on Related Party Transactions to ensure transparency and fairness in its dealings with related parties, regulating all transactions between the Company and its related entities.

### **EFFECTIVE DATE**

This Policy shall become effective from the date of its approval by the Board.

### **SCOPE AND PURPOSE**

The Companies Act, 2013, and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, outline detailed provisions on Related Party Transactions. In compliance with these regulations, this Policy on Transactions with Related Parties has been formulated to ensure proper approval and reporting of transactions between the Company and its Related Parties.

The Board acknowledges the potential for conflicts of interest in such transactions and has adopted this Policy to govern the review, determination of materiality, approval, and reporting of Related Party Transactions, ensuring adherence to applicable laws and maintaining transparency.

### **CLARIFICATIONS, AMENDMENTS, UPDATES AND REVIEW**

This Policy will be implemented in accordance with applicable law, and any amendments or clarifications from relevant regulators will be incorporated into the Policy. In case of any conflict between the Policy and applicable law, the latter will prevail. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

The Board may review this Policy periodically (and at least once every three years) and make amendments from time to time, as may be deemed necessary (including based on recommendation(s) of the Audit Committee).

## DEFINITIONS

1. **“Act” or “Act, 2013”** means the Companies Act, 2013;
2. **“Applicable Law”** means the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Indian Accounting Standards (including any modifications/ re-enactments thereof) and includes any other statute, law, standards, regulations, circulars or other governmental instruction relating to Related Party Transactions applicable on the Company;
3. **“Audit Committee”** means the Committee of Board of Directors of the Company constituted under provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR;
4. **“Board”** means the Board of Directors of the Company;
5. **“Compliance Officer”** means the Company Secretary of the Company or such Compliance Officer identified by the Board for the purpose of (SEBI LODR) Regulations, 2015;
6. **“Key Managerial Personnel”** means
  - a. the Chief Executive Officer or the Managing Director or the Manager;
  - b. the Company Secretary;
  - c. Whole-time Director;
  - d. the Chief Financial Officer;
  - e. Compliance Officer.
7. **“Material Related Party Transactions under SEBI (LODR) Regulations, 2015”** means-
  - a. any transaction to be entered into with a Related Party (other than a Wholly Owned Subsidiary), value whereof individually or taken together with previous Related Party Transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company or Rs.1000 crores, whichever is lower, as per the last audited financial statements of the Company or such other threshold as may be laid down from time to time by applicable law;
  - b. a transaction involving payments made to a Related Party with respect to brand usage or royalty if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

8. **“Material Related Party Transaction under the Act, 2013”** means transactions as defined under Section 188(1) of the Act, 2013 by the Company with Related Parties as defined under Section 2(76) of the Act, 2013 where the aggregate value of the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under the Act, 2013 from time to time.
9. **“Material Modification”** in terms of SEBI (LODR) Regulations, 2015 means any modification in the original contract or arrangement with a Related Party that would result in an increase of 20% or more on the originally approved transaction value. In case a modification is required pursuant to amendment to the applicable laws, it shall not be regarded as a material modification.
10. **“Relative(s)”** shall have the same meaning as assigned to it under Section 2(77) of the Companies Act, 2013 and the Rules made thereunder and Regulation 2(1)(zd) of SEBI (LODR) Regulations, 2015.
11. **“Related Party”** means an individual or an entity who is “related” to the Company in terms of -
- A. Section 2(76) of the Act
  - B. Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015
  - C. Ind AS 24, as amended from time to time
12. **“Related Party Transaction”** means a transaction/ means a transaction/group of transactions in a contract, involving a transfer of resources, services or obligations between:
- i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
  - ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries (with effect from 1<sup>st</sup> April, 2023);

regardless of whether a price is charged or not, subject to the exclusions as provided below.

#### **IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

At the beginning of each financial year, every Director is required to provide a written notice to the Company, disclosing their concern or interest in any entity that may be considered a related party, along with a list of relatives who are deemed related parties as per this policy. Additionally, Directors must also disclose information about their engagement with other entities during the financial year that could be regarded as related parties according to this policy, ensuring transparency and compliance with the Company's related party transaction regulations.

#### **TRANSACTION TO BE CONSIDERED AS RELATED PARTY TRANSACTION**

Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

- (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) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
- (g) underwriting the subscription of any securities or derivatives thereof, of the company.

Types of the transactions considered as related party as per Reg.2(1)(zc) of SEBI (LODR) Regulations, 2015 means a transaction involving a transfer of resources, services or obligations between:

- i. A listed entity or any of its subsidiaries on one hand and a related part of the listed entity or any of its subsidiaries on the other hand, or
- ii. A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023, regardless of whether a price is charged and a transaction with a related party shall be constructed to include a single transaction or group of transaction in a contract:

Provided that the following shall not be related party transaction:

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under SEBI(ICDR) Regulations, 2018;
- b) The following corporate action which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - Payment of dividend;
  - Subdivision or consolidation of securities;
  - Issuance of securities by way of a right issue or a bonus issue and
  - Buyback of securities
- c) acceptance of fixed deposits by banks/NBFC at the term uniformly applicable/offered to all shareholders/ public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s) in the format as specified by Board.
- d) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

## **HIERARCHY OF APPROVALS IN CONNECTION WITH RELATED PARTY TRANSACTIONS**

### **Audit Committee**

Every Related Party Transaction and subsequent material modifications shall be subject to the prior approval of the Audit Committee. Only Independent Directors who are members of the Audit Committee shall approve Related Party Transactions. The transaction for the year already approved by the board before the enactment of this policy is not required to be approved by the committee again.

The 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, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- (v) any other condition as specified by the audit committee.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary which are repetitive in nature subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time. 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 lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature; The audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

The omnibus approval shall specify the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;

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 rupees one crore per transaction.

### **Board of Directors**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being:

- a) not in the ordinary course of business, or
- b) not at an arm's length basis,

the Board will inter alia consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

### **Shareholders**

- If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act, then such Related Party Transaction and any subsequent Material modification thereto, shall require shareholders' approval by a resolution. In such case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.
- 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.
- In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the Company would seek post facto approval from the Audit Committee, the Board and/or shareholders as per applicable laws/ regulations.

### **Reporting of Related Party Transactions**

- Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- The details of all transactions with Related Parties shall be submitted, in the prescribed format to the stock exchanges, and requisite disclosures shall be made in other public documents/certificates as legally required, in the manner and as per the timelines set out in the Listing Regulations and the same shall be published on the Company's website.

### **Related Party Transaction not approved under this Policy**

In the event any Transaction has been undertaken/is being undertaken with a Related Party without obtaining requisite approval under this Policy, such transactions should be immediately reported to the Company Secretary. Such Transactions shall be reviewed by the Audit Committee in the next meeting. The Audit Committee shall be provided with all the relevant facts and circumstances for entering into such transaction with a related party. Based on the information

provided, the Audit Committee shall evaluate and take such necessary steps, as it may deem fit, including Ratification, Termination or Revision of any terms of the Related Party Transaction. The Audit Committee shall keep the Board apprised of any instances of such transactions entered into with any related party in contravention of this Policy and recommend to Board for its consideration and approval. In case the aforesaid Related Party Transaction requires the approval of shareholders, then once it is ratified by the Audit Committee, it shall be placed for ratification before the shareholders in their general meeting.

**FOLLOWING TRANSACTIONS SHALL NOT REQUIRE APPROVAL OF AUDIT COMMITTEE, BOARD OF DIRECTORS OR SHAREHOLDERS**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board of Directors or Shareholders:

- a) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b) Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- c) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

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