

RELATED PARTY TRANSACTIONS POLICY & PROCEDURES OF TGV SRAAC LIMITED

INTRODUCTION:

The policy on Related Party transactions of TGV SRAAC Limited (CIN:L24110AP1981PLC003077) and amendments to the policy, if any, by the Board of the Company or any Committee thereof shall be effective from the date on which it is notified from time to time.

The Companies Act, 2013 ('Companies Act' or 'the Act') has introduced Sections 177 and 188, which contain provisions regarding related party transactions. Similarly, SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for disclosures and approvals with respect to Material Related Party Transactions. These sections, along with the relevant Rules framed under the Companies Act and SEBI Regulations have introduced certain compliance and approval requirements regarding the related party transactions. This Policy applies to transactions between the Company and one or more of its Related Parties in order to ensure transparency and fairness to such transaction. It provides a framework for governance and reporting of Related Party Transactions. Accordingly, the Board of Directors (the Board) of TGV SRAAC Limited (the Company) has adopted the following policy with regard to related party transactions. The Audit Committee of the Company will review this policy from time to time and recommend modifications, if any, to the Board for approval.

OBJECTIVE:

The objective of this Policy is to

- (a) Ensure that transactions between the Company and its related parties are based on principles of transparency and arm's length pricing
- (b) Preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties
- (c) The manner of dealing with the transactions between the Company and its related parties based on the Companies Act, 2013 and any other laws and regulations as may be applicable to the Company and (d) to determine the appropriateness of the disclosures to be made.



DEFINITIONS:

1. "Audit Committee" means the committee as defined under Section 177 of the Companies Act, 2013 constituted by the Board.
2. "Key Managerial Personnel" shall have the same meaning as defined in Companies Act, 2013.
3. "Related Party" means :
 - a) a director or his relative;
 - b) a key managerial personnel (KMP) or his relative;
 - c) a firm, in which a director, manager or his relative is a partner;
 - d) a private company in which a director or manager or his relative is a member or director;
 - e) a public company in which a director or manager is a director and holds along with his
 - f) relatives, more than two per cent of its paid-up share capital;
 - g) any Body Corporate whose Board of Directors, managing director or manager is
 - h) accustomed to act in accordance with the advice, directions or instructions of a director
 - i) or manager;
 - j) any person on whose advice, directions or instructions a director or manager is
 - k) accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the
 - l) advice, directions or instructions given in a professional capacity;
 - m) any company which is: - (i) a holding, subsidiary or an associate company of such company; (ii) or a subsidiary of a holding company to which it is also a subsidiary; (iii) or an investing company or the venture of the company.
 - n) Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.
4. "Relative" with respect to a Director or KMP shall mean :
 - a) They are members of a Hindu Undivided Family
 - b) Husband / Wife
 - c) Father (including step father)
 - d) Mother (including step mother)
 - e) Son (including step son)
 - f) Daughter
 - g) Son's wife
 - h) Daughter's Husband



- i) Brother (including step brother)
 - j) Sister (including step sister)
5. Related Party Transactions shall mean :
- 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.
6. "Total Share Capital" means the aggregate of the paid-up equity share Capital.
7. "Total Voting Power" in relation to any matter, means the total number of votes which may be cast in regard to that matter on a poll at a meeting of a company if all the members thereof or their proxies having a right to vote on that matter are present at the meeting and cast their votes.
8. "Turnover" has been defined as the gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a Company during a financial year.
9. "Subsidiary Company" or "Subsidiary", in relation to any other company (that is to say the holding company), means a company in which the holding company: (i) controls the composition of the Board of Directors; or (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies. Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.
10. "Material Transaction" for the purpose of this policy mean any transaction/s to be entered into individually or taken together with previous transactions during a financial year, which exceeds 10% of the annual consolidated turnover or net worth of the company computed on the basis of audited financial statement of preceding financial year or Rs.100 crores, whichever is lower.



Sr. No.	Transaction or contract or arrangements for	Limits
1.	Sale, purchases or supply of any goods or materials, directly or through appointment of agent	10% or more of the turnover of the Company Explanation : The above limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
2.	Leasing of property of any kind	
3.	Availing or rendering of any services, directly or through appointment of agent	
4.	Selling or otherwise disposing of, or buying property of any kind, directly or through appointment of agent	10% or more of the net worth of the Company Explanation : The above limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
5.	Appointment of a Related Party to any office or place of profit in the Company, its Subsidiary Company or Associate Company	Where monthly remuneration Exceeds Rs.2,50,000/-
6.	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company	For amount exceeding 1% of Net Worth of the Company.
Annual turnover and net worth referred above shall be computed as per audited financial statements for the preceding financial year.		

APPLICABILITY :

This policy is applicable for all transactions by the Company with its related parties including the transactions as specified in Section 188 of the Companies Act, 2013 and related party transactions as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



ARM'S LENGTH TRANSACTION :

In terms of the Companies Act, the expression '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. A transaction with a related party will be considered to be on arm's length basis if the key terms, including pricing of the transaction, taken as a whole, are comparable with those of similar transactions if they would have been undertaken with unrelated parties.

RELATED PARTY TRANSACTIONS AND ITS IDENTIFICATION :

Each Director and Key Managerial Person of the Company is responsible for providing notice to the Board of any potential related party transactions involving him/her including any additional information about the transaction as the Board may desire. They shall also inform any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

APPROVAL OF RELATED PARTY TRANSACTIONS :

Heads of functional departments shall submit a note with the details of proposed transactions with related parties to the Company Secretary and Chief Financial Officer. Company Secretary shall do the needful for taking the proposal to the Audit Committee for prior approval.

A. Audit Committee :

All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. Any member of the Committee who has a potential interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction. The Audit Committee while recommending any proposal for transactions with related parties, shall confirm that the proposal is at arm's length basis. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to certain criteria/conditions as required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Companies (Meetings of Board and its Powers) Rules, 2014 and such other conditions as it may consider necessary in line with this policy . Such omnibus approval shall be valid for a maximum period of one financial year. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely: - (a) maximum value of



the transactions, in aggregate, which can be allowed under the omnibus route in a year; (b) the maximum value per transaction which can be allowed; (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval; (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made; (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

Provided that where the need of related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may make omnibus approval for such transactions subject to their value not exceeding rupees One Crore per transaction. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy. Provided further that in case of transaction, other than transactions referred to in Section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board. Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee . Any member of the Board who has any interest in any related transaction shall abstain from discussion and voting on the approval of the related party transaction.

B. Shareholders :

If a related party transaction is not in the ordinary course of business which

- a) exceeds the thresholds as given below or such other limits prescribed under the Companies Act, 2013 from time to time or
- b) is a material related party transaction, it shall require shareholders' approval by a resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

DUTY TO DISCLOSE INTEREST:

The Companies Act, 2013, imposes duty on every Director to disclose to the Company, the contracts or arrangements with the Company, whether existing or proposed or acquired subsequently, in which he, directly or indirectly, has any interest or concern.



Audit Committee : All Related Party Transactions

Board Meeting : All Material Transactions with related parties and Related Party Transactions not in Ordinary Course of Business, as recommended by the Audit Committee for approval.

Shareholders: Related Party Transactions not in Ordinary Course of Business and crosses threshold limit as prescribed under the statute applicable to the Company.

All the Directors shall in the first Board meeting to be held in every financial year and whenever there is a change, shall intimate the same to the Board of Directors in Form MBP-1.

REPORTING OF RELATED PARTY TRANSACTIONS:

Every contract or arrangement, which is required to be approved by the Board/ 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 Company shall disclose this policy on Company's website and provide web link of the same in the Annual Report.

REGISTER & RECORDS:

The Company should maintain a register, in which all related party transactions in which directors are interested, should be entered and placed before the next meeting of the Board of Directors and signed by all the Directors present at the meeting.

AMENDMENT – Conflict with Law :

The Policy shall be reviewed by the Board of the Company atleast once in every three years and shall be updated accordingly. If the terms of the policy differ from any existing or newly enacted laws, rules, regulations or standard governing the company, the said law, rule, regulation or standard will take precedence over the policy until the policy is changed to conform to the law, rule, regulation and standard.

Board approval	Date
Approved by Board	29.01.2016
Revised and renewed by Board	29.05.2023

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For TGV SRAAC LIMITED



V. RADHAKRISHNA MURTHY
C.G.M. And Company Secretary