

TCPL Packaging Limited

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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION AND DEALING WITH RELATED PARTY TRANSACTION

RELATED PARTY TRANSACTION POLICY

1. INTRODUCTION

The Board of Directors (“the Board”) of TCPL Packaging Limited (the “Company or “TCPL”), has adopted the following Policy and procedure in relation to Related Party Transactions. The Policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Law and Regulation. The Audit Committee shall review and amend this Policy from time to time, as may be required.

This Policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

Related Party Transactions are considered appropriate only if they are in the best interests of the Company and its Shareholders. The Company is required to disclose each year in the Financial Statements and in the Annual Report transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

2. DEFINITIONS

“Arm’s Length Transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

“Associate” means a Company as defined under section 2(6) of the Companies Act, 2013.,

“Audit Committee or Committee” means the Committee of the Board constituted from time to time under Regulation 18 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

“Board” means the Board of Directors as defined under the Companies Act, 2013.

“Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013, whichever is more stringent, from time to time.

"Promoter" and "Promoter group" shall have the same meaning as assigned to them respectively in clauses (za) and (zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under

"Related Party" a means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

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.

"Related Party Transactions" means a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract

Related party transactions would include clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

Explanation. - A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of TCPL.

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 into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of TCPL

"Key Managerial Personnel" mean the officers of the Company as defined under Section 2(51) of the Companies Act 2013 and as amended from time to time.

3. REVIEW AND APPROVAL OF RELATED-PARTY TRANSACTION

➤ Audit Committee

1. All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Committee in accordance with this Policy.
2. Every Related Party Transaction (RPT) shall be subject to the prior approval of the Audit Committee.
3. Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-

(a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the TCPL and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of TCPL;

(c) the omnibus approval shall specify:

(i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

(ii) the indicative base price / current contracted price and the formula for variation in the price if any; and

(iii) such other conditions as the audit committee may deem fit:

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.

(d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

(e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:

4. All material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

Provided that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved

- 5 For the purpose of this regulation, all entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

➤ **Board of Directors**

1. The Audit Committee shall report all Related Party Transaction to the Board of Directors.
2. As per the provisions of Section 188 of the Companies Act, 2013 all kinds of transactions specified under the said section and which are not in the ordinary course of business or not at arm's length basis shall be placed before the Board for its approval.
3. Transactions where the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/ or at arm's length basis and decides to refer the same to the Board for approval.
4. Interested directors shall not participate in the meeting.
5. Transactions meeting the materiality thresholds laid down under this policy, which are intended to be placed before the shareholders for approval.

➤ **Shareholders Resolution**

1. All material Related Party Transactions shall require approval of the shareholders through special resolution.
2. The related parties shall abstain from voting on resolutions of material Related Party Transactions.

4. RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL

Following transactions shall not require separate approval under this policy:

1. Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;
2. Transactions that have been approved by the Board under the specific provisions of the Companies Act, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
3. Payment of Dividend;
4. Related Party Transactions within the limits prescribed under the Companies Act, 2013, which are in the Ordinary Course of Business or at Arms' Length.
5. Contribution to Corporate Social Responsibility (CSR), subject to approval of CSR Committee and within the overall limits approved by the Board of Directors of the Company.

5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this policy prior to its consummation, the same shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

6. DISCLOSURE

The Company shall disclose the RPT Policy on its website and a weblink thereto shall be provided in the Annual Report.

7. POLICY REVIEW

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 on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.