



¹TRUCAP FINANCE LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

VERSION CONTROL:

Sr. No.	Details of Changes	Date of Creation/Change	Department	Version No	Approved By
1.	Original Document	August 10, 2018	Corporate Secretarial Team	Version 1.0	Board of Directors
2.	Review and amendment in provisions to bring it in lines with the recent changes in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	May 30, 2022	Corporate Secretarial Team	Version 2.0	Board of Directors
3.	Logo and Name Change	August 03, 2022	Corporate Secretarial and Compliance	Version 3.0	----

¹ Logo and Name of the Company changed pursuant to Change in name of the Company w.e.f. August 03, 2022.

Policy on Related Party Transactions

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1. Purpose

This Policy is being framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions (“RPTs”) in the Companies Act, 2013 and applicable rules made thereunder, as amended (“Act”), prescribed regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and applicable provisions of circulars and direction issued by the Reserve Bank of India (“RBI”) (Collectively Referred to as “Applicable Laws”) and is intended to ensure proper approval, disclosure and reporting requirements of transactions between ¹TruCap Finance Limited (“the Company/TruCap”) and its Related Parties.

For the purpose of this Policy, the terms ‘Related Party’, ‘RPTs’, ‘Relative’, ‘Material RPTs’, ‘Arms’ length transaction’, ‘Omnibus Approval’ & such other terms will carry the meaning as stated under the Act or Listing Regulations as amended from time to time.

2. Objective

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of RPTs in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. Applicability

The requirements specified under this Policy shall be applicable to all prospective transactions.

4. Identification of RPTs:

- (a) In accordance with the section 189 (2) of the Act, all Directors and Key Managerial Personnel shall, within a period of thirty days of his/her appointment, or relinquishment of his/her office, as the case may be, disclose to the Company, the particulars relating to his/her concern or interest in the other associations/entities in Form MBP-1.
- (b) In accordance with the section 184 (1) of the Act, all Directors shall inform the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the first meeting of Board of every financial year and any change in such interest during the year in Form MBP-1.
- (c) The Board shall record the disclosure of interest to identify the related party and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm’s length basis.

5. APPROVAL FOR RPTs BY AUDIT COMMITTEE

- a. The Audit Committee shall review and approve all RPTs based on this Policy. Further, only those members of the Audit Committee, who are independent directors, shall approve RPTs.
- b. All proposed RPTs must be reported to the Audit Committee for prior approval by the Audit Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre -approval / omnibus approval for a period of one year subject to the ensuring compliance with the terms specified in the Listing Regulations.

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Due to some business exigencies, if a RPTs is entered into by the Company without being pre-approved by the Audit Committee, the Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the RPTs. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

- c. A RPTs to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee 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 consolidated turnover, as per the last audited financial statements of the Company.
- d. 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 five percent of the annual consolidated turnover of Company as per the last audited financial statements of the Company.
- e. Prior approval of the audit committee shall not be required for a RPTs to which the listed subsidiary company is a party but the Company is not a party and in the event where regulation 23 and sub-regulation (2) of regulation 15 of Listing Regulations are also applicable to such listed subsidiary.

Further, for RPTs of unlisted subsidiary(s) of a listed subsidiary of the Company, the prior approval of the audit committee of the listed subsidiary shall suffice.

- f. Further, pursuant to the amendment in the Listing Regulations, with effect from April 1, 2023, a RPTs to which the subsidiary company of the Company is a party but the Company is not a party, such transaction 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.

6. Material Modification

Material modification will mean & include any modification to an existing RPTs having variance of 20% of the existing limit or Rs.1 crore whichever is higher, as sanctioned by the Audit Committee/Shareholders, as the case may be.

All material RPTs and subsequent material modifications shall require prior 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.

However, prior approval of the shareholders of Company shall not be required for a RPTs to which the listed subsidiary of the Company is a party but the Company is not a party and in the event where regulation 23 and sub-regulation (2) of regulation 15 of Listing Regulations are also applicable to such listed subsidiary.

Further, for RPTs of unlisted subsidiary(s) of a listed subsidiary of the Company, the prior approval of the Shareholders of the listed subsidiary shall suffice.

7. Specific exemption from applicability of the Policy

The provisions specified in the Policy shall not be applicable to the transactions entered into between the Company and its wholly owned subsidiary where accounts of such wholly owned subsidiary are

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consolidated with the Company and are placed before the shareholders of the Company at the general meeting of the Company for approval, and for transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders of the Company at the general meeting for approval.

8. Approval by the Board and Shareholders

As per Section 188 of the Act, the contract or arrangement with respect to the specified transactions which are not on arm's length or in the ordinary course of business and are within the threshold limits as specified in the Annexure below, shall be entered into with a related party only with the prior approval of the Board of Directors.

All material RPTs and subsequent material modifications thereof shall require prior approval from shareholders through a resolution. Further, prior approval of shareholders would be required for the specified RPTs beyond the threshold limits as specified in the Annexure below, if they are not in the ordinary course of business or are not on arm's length basis.

All material RPTs shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolution.

Further, the information as prescribed under the Act and/or the Listing Regulations, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

9. RPTs not previously approved

In the event the Company becomes aware of a RPTs that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board or the Shareholders shall consider all relevant facts and circumstances pertaining to such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Audit Committee deems appropriate under the circumstances.

10. Disclosure and reporting RPTs

The Company shall submit to the stock exchanges disclosures of RPTs in the format as specified under the Listing Regulations by the Securities and Exchange Board of India from time to time, and publish the same on its website.

The Company shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results.

Further, pursuant to the amendment in the Listing Regulations, the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

11. Dissemination of Policy

Either this Policy or the important provisions of this Policy shall be hosted on the website of the Company and web link thereto shall be provided in the annual report of the Company.

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12. Revision/Review of the Policy

If at any point a conflict of interpretation / information between the Policy and Applicable Laws arises, then interpretation of the Applicable Laws shall prevail.

In case of any amendment(s) and/or clarification(s) to the Applicable Laws, the Policy shall stand amended accordingly from the effective date specified as per the Applicable Laws. The Board reserve (s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.

Further, pursuant to the provisions of the Listing Regulations, the Policy shall be reviewed at least once every three years and updated accordingly.

Annexure

RPTs require prior approval of Shareholders of the Company, as prescribed under rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions/contracts/arrangements as follows:

As contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of Section 188 of the Act, with criteria as mentioned below -

- Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of the Act;
- Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of the Act;
- Leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188 of the Act;
- Availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of the Act.

These limits shall however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

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