

TRIUMPH
INTERNATIONAL
FINANCE INDIA
LIMITED

**POLICY ON RELATED PARTY
TRANSACTIONS**

POLICY ON RELATED PARTY TRANSACTIONS

[Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time]

PREAMBLE

Triumph International Finance India Limited (“Company”) is committed to practicing the maximum transparency in the conduct of Related Party Transactions (as defined below) in sync with its corporate governance philosophy based on the objective of continuing ethical conduct in fulfilling its responsibilities. Therefore, this Policy regarding the review and approval of Related Party Transactions has been adopted by the Company’s Board of Directors, as recommended by the Audit Committee, in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified.

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

The Board of Directors of the Company will review and, if required, amend this Policy from time to time and such amended Policy shall also be in conformity with the provisions of the Companies Act 2013, including the Rules made thereunder and the SEBI LODR Regulations and must be approved in the manner as may be decided by the Board of Directors.

OBJECTIVE

This policy is prepared as per the requirements of the listing agreement entered into by the company with the stock exchanges and in accordance with the provisions of section 188 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014. This Policy is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

DEFINITIONS

- a) **“Audit Committee or Committee”** means the Audit Committee of Board of Directors of the Company;
- b) **“Board”** means the Board of Directors of the Company, as constituted from time to time;
- c) **“Key Managerial Personnel”** or **“KMP”** means the managerial personnel as defined under Section 2(51) of the Companies Act, 2013:
- d) **“Policy”** means this Related Party Transactions Policy;

- e) **'Promoter'** and **'Promoter Group'** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof;
- f) **"Related Party"** means a related party as defined in Section 2(76) of the Companies Act, 2013 or under the applicable Accounting Standards as amended from time to time;

Further, for the purposes of this policy, the term Related Party includes any person or entity belonging to the Promoter or Promoter Group of the Company and holding 20% or more of shareholding in the Company.

- g) **"Related Party Transaction"** means a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged;
- h) **"Material Related Party Transaction"** means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.450 Crores or ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower;

In addition to this, any transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds two per cent of the annual consolidated turnover of the Company as per the last Audited Financial Statements;

- i) **"Relative"** means a relative as defined in Section 2(77) of the Companies Act, 2013.
- j) **"SEBI LODR Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation and as amended from time to time.

POLICY

➤ Identification of Related Parties

Each Director and Key Managerial Personnel is responsible for providing notice to the Audit/Board 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 Board/Audit Committee will determine whether the Transaction does in fact, constitute a Related Party Transaction requiring compliance with the Policy. Every Director, Key Managerial Personnel and connected Related Parties shall at the beginning of the financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable.

➤ **Approval of Audit Committee for reported Related Party Transactions**

Prior approval of Audit Committee is required to be taken for entering into reported transaction with a Related Party. The Audit Committee may grant approval or ratification in accordance with provisions of the Companies Act, 2013 read with the Rules made there under. Any member of the Committee who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

➤ **Approval of the Board for reported Related Party Transactions**

Consent of the Board would be taken in respect of all reported related party transaction, except in the cases where the reported transactions entered into by the Company in its ordinary course of business and are on an arm's length basis. Any member of the Board who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

➤ **Approval of the shareholders for reported Related Party Transactions**

All reported Material Related Party Transactions and transactions mention in Sub - Section 1 of Section 188 of Companies Act, 2013 shall require approval of the shareholders through special resolution and the related parties shall have to abstain from voting on such resolutions.

➤ **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 in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

➤ **Omnibus approval for related party transactions**

The Audit Committee may grant prior approval for Related Party Transaction which are repetitive in nature and are in the Ordinary Course of Business and satisfy the Arm's length basis, subject to the compliance of conditions contained in the Listing Agreement.

EXEMPTIONS:

Nothing contained in this Policy shall apply to any contract or arrangements with Related Party-

- a. In the Ordinary Course of its business and on an Arms' length basis;
- b. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, (as defined under the Act) including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business;
- c. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party;
- d. Transactions available to all employees generally;
- e. Service availed in a professional capacity from body corporate/person;
- f. The following transaction(s) undertaken by the Independent Director with the Company or its holding, subsidiary, or associate company or their promoters or directors during the year:
 - transaction(s) done in Ordinary Course of Business at arm's length;
 - receipt of remuneration by way of sitting fees;
 - reimbursement of expenses for attending board and other meetings;
 - any profit related commission as approved by members.

DISCLOSURE

Details of any Related Party Transaction shall be disclosed to the Stock Exchanges as per the provisions of the Listing Agreement. The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report.

INDEMNITY

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Audit Committee/ Board or approval by a Special Resolution in the General Meeting under Sub Section (1) of Section 188 of the Companies Act, 2013 and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.

PENALTIES:

The Audit Committee /Board may proceed against the Director / Key Managerial Personnel, who had entered into contract or arrangement in contravention of the provisions, for recovery of any loss sustained by result of such contract or arrangement in such manner, it may deem fit and proper.

SCOPE LIMITATION:

In the event of any conflict between the provision of this Policy and of the Listing Agreement/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013, or statutory enactments, rules shall prevail over this Policy.

AMENDMENT:

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.