

**TECHERA ENGINEERING (INDIA) LIMITED**  
**CIN L29100PN2018PLC179327**

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH  
RELATED PARTY TRANSACTIONS**

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## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS**

### **1. PREAMBLE**

The enactment of the Companies Act 2013 (the “Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and requirements under the Income Tax Act relating to Transfer Pricing both for International and Domestic transactions, has resulted into a significant importance on the compliances to be made on the Related Party Transactions. Pursuant to Regulation 23 of Listing Regulations, the Company is required to devise a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. TECHERA ENGINEERING (INDIA) LIMITED (the “Company”) recognizes that Related Party Transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its stakeholders’ best interests.

### **2. PURPOSE AND SCOPE OF THE POLICY**

This policy is framed as per requirement of Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [SEBI (LODR) Regulations, 2015] and intended to ensure the proper approval and reporting of the related party transactions. Further, Regulation 23(2) of the aforesaid regulations, requires the Audit Committee to define material modification and disclose it as a part of the policy.

This Policy shall supplement Company’s other policies & practices/ delegation of authorities / manual of authorities etc. which require approval of the contracts or arrangement in specified manner and by specified authority. If there exists more than one set of requirements due to application of multiple laws and regulations, the endeavor must be based on the compliance principle, which would meet the higher governance standards.

### **3. DEFINITIONS AND INTERPRETATIONS**

**3.1 “Act” or “Companies Act, 2013”** means the Companies Act, 2013 and rules made thereunder as modified or amended from time to time.

**3.2 “Applicable Law(s)”** includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.

**3.3 “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.

**3.4 “Associate Company”** means as defined in Section 2(6) of the Companies Act, 2013.

**3.5 “Audit Committee”** means a committee of the board of directors of the Company constituted under provisions of the Act and SEBI LODR.

**3.6 “Board”** means board of directors of the Company.

**3.7 “Control”** means as defined under the Act includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or

persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

**3.8 “Holding Company”** means as specified under section 2(46) of the Companies Act, 2013.

**3.9 “Industry Standards”** means the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI vide its circular dated February 14, 2025, effective from July 01, 2025 or such other date as may be notified by SEBI) or as amended from time to time.

**3.10 “Key Managerial Personnel”** means as defined under Section 2(51) of the Companies Act.

**3.11 “Listing Regulations” or SEBI LODR** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**3.12 “Material Modifications of Related Party Transaction”** means and include any modification to an existing related party transaction as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

**3.13 “Material Related Party Transactions” /Material RPT** means, a transaction with a related party as specified under Regulation 23 of LODR or as amended from time to time. Accordingly, transaction shall be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 crore or 10% (ten percent) of the annual consolidated turnover of the Company as per the last financial statements audited of the Company, whichever is lower.

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 5% percent of the annual consolidated turnover, as per the last audited financial statements of the company.

**3.14 “Ordinary Course of Business”** means usual transactions, customs and practices undertaken by the Company, including, but not limited to sale or purchase of goods, or services, taking premise on leases/rent, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and includes all such activities which the Company can undertake as per Memorandum and Articles of Association of the Company.

**3.15 “Related Party”:** means a Related Party as defined under Section 2(76) of the Act, or under Regulation 2(1)(zb) of the SEBI LODR or under the applicable accounting standard, as amended from time to time.

**3.16 “Relative”** means as defined under Section 2(77) of the Companies Act, 2013 and under SEBI LODR, as amended from time to time.

**3.17“Related Party Transaction”:** means as defined under Section 188 of the Act, or under Regulation 2(1)(zc) of the SEBI LODR:

**Under Section 188 of the Companies Act, 2013**

Any contract or arrangement with respect to the following shall be considered as a Related Party Transactions:

- 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; and
- g) underwriting the subscription of any securities or derivatives thereof of the Company.

**As per Regulation 2(1)(zc) of the SEBI LODR**

“Related Party Transaction” 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 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;

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.

**Further, the following shall not be a related party transactions:**

- a) Issue of specified securities (i.e., equity shares or convertible securities) on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) The following corporate actions by the Company which are uniformly applicable/ offered to all shareholders in proportion to their shareholding:
  - (i) Payment of Dividend;
  - (ii) Sub-Division or Consolidation of Securities;
  - (iii) Issuance of Securities by way of a Rights Issue or a Bonus Issue; and
  - (iv) Buy-Back of Securities.

***All terms used in this Policy but not defined herein shall derive their meaning/definition from the Companies Act, 2013 and LODR***

**4. DEALING WITH RELATED PARTY TRANSACTIONS (INCLUDING MATERIAL MODIFICATION THERETO):**

**I. Approval of the Audit Committee:**

1. The following related party transactions shall require prior approval of the Audit committee of the Company.
  - a. All Related Party Transactions of the Company and subsequent material modifications therein;
  - b. All related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual consolidated turnover, as per the last audited financial statements of the Company or exceeds 10% (ten per cent) of the annual consolidated turnover, as per the last audited financial statements of the subsidiary;
2. The following information shall be placed before the Audit Committee for review and approval of any proposed Related Party Transactions:
  - a. Name of the related party and nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).
  - b. Type/Nature, tenure/duration of the proposed contract or arrangement;
  - c. Material terms and conditions of the proposed contract or arrangement including the value, if any;
  - d. Advance paid or received for the contract or arrangement, if any;
  - e. Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
  - f. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).
  - g. If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the Company or its subsidiary
    - (i) details of the source of funds in connection with the proposed transaction.
    - (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments,
    - (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
    - (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
    - (v) nature of indebtedness
    - (vi) cost of funds; and
    - (vii)tenure.
  - h. Justification as to why the RPT is in the interest of the listed entity.
  - i. A copy of the valuation or other external party report, if any such report has been relied upon.
  - j. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.

- k. Any other information relevant or important for the Audit Committee or Board as the case may be to take a decision on the proposed transaction.
  - l. minimum information specified in the Industry Standards and Certificates from the CEO or CFO or any other KMP of the Company that: the RPTs to be entered into are not prejudicial to the interest of public shareholders; and the terms and conditions of the RPT are not unfavorable to the listed entity, compared to the terms and conditions, had similar transaction been entered into with an unrelated party.
3. The Status of long term (more than one year) or recurring RPT shall be placed on an annual basis for review by the audit Committee, by the respective head of the department.

**4. Omnibus Approval by the Audit Committee:**

- A. The Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary. The criteria to be considered by the Audit Committee for granting omnibus approval includes the following:-
- (i) Transactions are frequent/regular/repetitive in nature and are in the normal course of business of the Company.
  - (ii) Justification for need of omnibus approval and whether such approval is in the best interest of the Company.
- B. The proposal for omnibus approval placed before the Audit Committee shall include the following information:
- (i) the name(s) of the related party,
  - (ii) nature of transaction,
  - (iii) period of transaction,
  - (iv) maximum amount of transactions that shall be entered into,
  - (v) the indicative base price / current contracted price and the formula for variation in the price if any;
  - (vi) minimum information about the RPTs as per the provisions of the Industry Standards; and
  - (vii) such other conditions as the audit committee may deem fit:

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.

- C. Omnibus approval shall be valid for period not exceeding one year or and shall require fresh approval after expiry of one year.
- D. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

- E. Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company or its subsidiary pursuant to each of the omnibus approval given.

## **II. Approval of the Board of Directors:**

1. In the event of any transaction under RPT to be entered into by the Company not in its ordinary course of business or not done at arm's length, such transactions shall not be entered except with the prior consent of the Board of Directors given by a resolution at a meeting of the Board. The nature of contract or arrangement inter- alia includes the following:-
  - 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; and
  - g. Underwriting the subscription of any securities or derivatives thereof, of the Company.  
The expression "office or place of profit" means any office or place-
    - (i) Where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
    - (ii) Where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
2. Where any Director is interested in any Related Party Transaction, such Director shall abstain from discussion and voting on the resolution relating to such transaction.

## **III. Approval of the Shareholders of the Company:**

Prior approval of the shareholders of the Company shall be required in case of:

1. All Material Related Party Transactions (Material RPT); and subsequent modification therein.
2. All Related Party Transactions, which are not in ordinary course of business and/or not entered on arm's length basis, whose value exceeds the threshold limits as prescribed in Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of the Board & its Powers) Rules, 2014, as given below:

<b>Sl. No.</b>	<b>Nature of transaction as per Section 188 of the Companies Act, 2013</b>	<b>Threshold limit* for seeking approval of shareholders</b>
A	sale, purchase or supply of any goods or materials, directly or through appointment of agent	10% or more of the turnover of the Company.
B	selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of	10% or more of net worth of the Company.
C	leasing of property of any kind	10% or more of the turnover of the company.
D	availing or rendering of any services, directly or through appointment of agent	10% or more of the turnover of the company.
E	Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;	At a monthly remuneration exceeding Rs. 2.50 Lakh
F	Underwriting for the subscription of any securities or derivatives thereof, of the company.	At a remuneration exceeding 1% of the Net Worth of the Company.

*\*For the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year. Turnover or net worth shall be computed as defined in the Companies Act, 2013.*

3. All the information specified in the Act, LODR, and Industry Standards shall be provided to the shareholders to approve the RPT.

#### **IV. Summary of the approval mechanism under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:**

<b>Details of Transaction(s)</b>	<b>Approving Authority</b>
All related party transactions (other than those which are exempted) and any subsequent material modifications	1. Audit Committee
RPTs u/s 188 of the Companies Act, 2013 which are not in Ordinary Course of Business or not on arm's length basis or both and <b>less than threshold limits of materiality.</b>	1. Audit Committee 2. Board of Directors of the Company
RPTs u/s 188 of the Companies Act, 2013 which are in not in ordinary course of business or not on arm's length basis or both <b>and beyond threshold limits.</b>	1. Audit Committee 2. Board of Directors of the Company 3. Shareholders of the Company.

Material RPT and subsequent material modifications	<ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Board of Directors of the Company</li> <li>3. Shareholders of the Company.</li> </ol>
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## 5. EXEMPTIONS UNDER THE COMPANIES ACT AND SEBI LODR:

### I. Exemption from the approval of the Audit Committee and /or shareholders of the Company under the SEBI LODR

- a. transactions entered into between two public sector companies;
- b. 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.
- c. 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.
- d. 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.
- e. transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- f. RPT to which the listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of LODR are applicable to such listed subsidiary. For RPT of unlisted subsidiaries of a listed subsidiary of the Company, the prior approval of the audit committee of the listed subsidiary of the Company shall suffice.
- g. Remuneration and sitting fees paid by the Company or its subsidiary to its director, KMP or senior management except who is part of promoter or promoter group, provided the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of SEBI LODR.

### II. Exemption from the approval of the Audit Committee under the Companies Act

For transaction, other than a transaction referred to in section 188 of the Companies Act, between a holding company and its wholly owned subsidiary company.

### III. Exemption from the approval of the Board under section 188 of the Companies Act:

- a. The transaction are at Arm Length Basis; and
- b. In the ordinary course of Business

### IV Other Deemed Exemptions :

The following Related Party Transactions are deemed to be approved by the Audit Committee and no separate approval shall be required:

- (i) Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board;

- (ii) Transactions that require approval by the Board under any specific provisions of the Companies Act, 2013 e.g. inter-corporate deposits, borrowings, investments etc. with or in wholly owned subsidiaries or other Related Parties;
- (iii) Loans and advances to Directors / KMPs as a part of Employment Terms;
- (iv) Payment or receipt of Dividend, interest and any other returns related to approval accorded for making any investment / loans etc.
- (v) Payments of statutory contributions to various employees' post-employment benefits trusts/schemes.
- (vi) Deputation/secondment of employees in Subsidiaries and Joint Ventures
- (vii) Transactions in the nature of reimbursements Subsidiaries/JV companies at actuals.
- (viii) Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR Committee;
- (viii) Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in provisions of the Companies Act, 2013 or the Listing Regulations, 2015.

## **5. RATIFICATION OF RELATED PARTY TRANSACTIONS**

- A. Subject to the provisions of Section 177 of the Act, SEBI LODR and other applicable laws, 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 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:
1. 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;
  2. the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation 23;
  3. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  4. 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 23;
  5. 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 authorized by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- B. The minimum information specified in the Industry Standards, be provided to the Audit Committee for review and approval of RPT.
- C. Where a Related Party Transaction requiring ratification by the concerned approving authority determines not to ratify such authority may direct additional actions including, but not limited to, immediate discontinuation of the transactions, or modification of the transaction to make it acceptable for ratification.

## **6. RESPONSIBILITIES**

- Every director shall at the first meeting of the Board in which he/ she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his/ her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.
- Every director of the Company is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into-
  - with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
  - with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.
- Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

## **7. REPORTING OF RELATED PARTY TRANSACTIONS**

- a) Every contract or arrangement entered with Related Parties with the approval of Audit/Board/Shareholders in line with Section 188 of the Companies Act 2013 shall be referred in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements.
- b) The Company shall disclose this policy on its website, and a web link thereto shall be provided in the Annual Report.
- c) Disclosures in the financial statements as required under Ind AS 24 and in pursuance to the applicable provisions of the Companies Act, 2013, LODR, RBI Regulations etc.
- d) The Company shall keep one or more registers, giving separately the particulars of all contracts or arrangements with any related party which require approval of the Board as required under the Companies Act, 2013.
- e) The Company shall in every six months on the date of publication of its standalone and consolidated financial results submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time and publish the same on its website.
- f) The Company shall place all the information, as specified in Industry Standards, with the provisions of SEBI LODR Act as well as additional information specified by SEBI from time to time, before the approving authority.

8. **AMENDMENT /REVIEW OF THE POLICY**

The Board shall review the Policy at least once every three years, or at a frequency as may be prescribed under the applicable regulations. However, Board of Directors of the Company shall have the power to amend the policy due to any amendment in the Act, LODR or any other Statutory enactments/amendments thereof, from time to time.

9. **IMPLEMENTATION**

The Policy shall be effective from the date of approval by the Managing Director.

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