

# T. SPIRITUAL WORLD LIMITED

## RELATED PARTY TRANSACTIONS POLICY

[As revised and approved by the Board of Directors on 28.10.2024]

### 1. INTRODUCTION

As per regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") T. Spiritual World Limited (the "Company") has formulated a "Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions" (the "Policy") to ensure approval and reporting of transactions between the Company and its Related Parties (defined hereinafter). The Board of Directors (the "Board") of the Company has adopted the Policy to uphold the confidence of the stakeholders and to ensure a transparent mechanism that avoids potential or actual conflict of interest on transactions with related parties.

### 2. DEFINITIONS

**"Act"** means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.

**"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.

**"Associate Company"** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture Company as per sub-section (6) of Section 2 of the Act.

**Explanation:** For the purpose of this clause, "Significant Influence" means control of at least 20% (twenty percent) of total voting power, or control of or participation in business decisions under an agreement.

**"Audit Committee or Committee"** means the committee of the Board formed under Section 177 of the Act and regulation 18 of the Listing Regulations.

**"Board of Directors" or "Board"**, in relation to a company, means the collective body of the directors of the company;

**"Body Corporate" or Corporation** includes a company incorporated outside India as per sub-section (11) of Section 2 of the Act but does not include— i. a co-operative society registered under any law relating to co-operative societies; and ii. any other body corporate (not being a company as defined in this Act), which the Central Government may, by notification, specify in this behalf;

**"Control"** shall include 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 as per sub-section (27) of Section 2 of the Act.

**"Compliance Officer"** means company secretary of the Company.

**"Holding Company"** in relation to one or more companies means a company of which such companies are subsidiary companies as per sub-section (46) of Section 2 of the Act.

**"Key Managerial Personnel" ("KMP")** shall have the same meaning as defined in sub-section (51) of Section 2 of the Act. All transactions with Directors and KMP's are to be approved by the audit committee and the Board.

**“Material Related Party Transaction”** means a transaction with a Related Party where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company, whichever is lower as defined under regulation 23 of the Listing Regulations and the contracts or arrangements given under Companies Act, 2013.

**“Material Modification”**: Material Modification in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, approved by the Audit Committee or the Board of Directors or the Shareholders, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10% between the holding company and its subsidiaries or vice versa and 5% in all other cases.

**“Materiality Threshold”** means limits for Related Party Transactions beyond which the Shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

**“Related Party”** means a related party as defined under Section 2(76) of the Companies Act, 2013 and applicable accounting standards and Regulation 2(zb) of the Listing Regulations Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the Company; or
- b) any person or any entity, holding equity shares:
  - i. of twenty per cent or more; or
  - ii. of ten per cent or more with effect from June 23, 2023 in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year;shall be deemed to be a related party.

**“Related Party Transactions” means:**

- i. a transaction between the Company and a Related Party which is of the nature specified in subclause (a) to (g) of Section 188(1) of the Act; and as defined under Regulation 2(1) (zc) of the SEBI Listing Regulations, stated herein:
- ii. means a transaction involving a transfer of resources, services or obligations between:
  - 1) The Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
  - 2) The Company 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 Company or any of its subsidiaries with effect from June 23, 2023.

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:

Following transactions shall not be Related Party Transactions:

- A. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- B. the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding
  - a. payment of dividend
  - b. subdivision or consolidation of securities
  - c. Issuance of securities by way of a rights issue or a bonus issue; and

- d. buy-back of securities.

**“Relative”** means any person as defined under Section 2 (77) of the Act and Regulation 2(zd) of the Listing Regulations.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, or any other applicable law or regulation.

### **3. PURPOSE**

The purpose of the policy is to:

- ❖ Regulate transactions between the Company vis-à-vis its related parties with a view to ensure that such transactions are executed on an arm’s length basis and in a transparent and fair manner as per the Act and the Listing Regulations as amended from time to time.
- ❖ Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner.
- ❖ Outline the procedures for identification, review, disclosure, and reporting of such transactions.

### **4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

Approval of related party transactions:

#### **A. Audit Committee:**

- i) Prior approval of audit committee shall require for:
  - a) All the transactions which are identified as related party transactions and subsequent Material Modifications shall require prior approval of the Audit Committee before entering into such transaction.
  - b) RPTs where Company’s subsidiary is a party but 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% of the consolidated turnover of the Company, as per the last audited financial statements of the Company
  - c) With effect from April 1, 2023, a related party transaction to which the Company’s subsidiary 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 ten per cent of the annual standalone turnover, as per the last audited financial statements of such subsidiary.
  - d) Prior approval of the audit committee of the Company shall not be required for RPTs where the subsidiary is listed entity.
- ii) Members of the audit committee, who are independent directors, shall only approve related party transactions. Any member of the Audit Committee who has a potential interest in any related party transaction will abstain himself/herself from discussion and voting on the approval of the related party transaction.
- iii) The Audit Committee may grant omnibus approval for related party subject to such criteria/conditions as mentioned under the provisions of Section 177 of the Act and Rules made thereunder and Regulation 23 of the Listing Regulations, as amended from time to time, and such other conditions as it may consider necessary in line with this Policy and in the

interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one financial year.

- iv) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
  - (a) repetitiveness of the transactions (in the past or in the future);
  - (b) Justification for need of omnibus approval.
- v) The omnibus approval shall contain or indicate the following:
  - (a) name of the related parties, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
  - (b) the indicative base price / current contracted price and the formula for variation in the price if any and;
  - (c) such other conditions as the Audit Committee may deem fit;
- vi) A related party transaction entered into by the Company, which is not under the omnibus approval shall also be pre-approved by the Audit Committee of the Company.

#### **B. Board of Directors:**

Transaction under Section 188 of the Act which are not in the ordinary course of business or not at arm's length basis required approval of Board. In such case the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

If any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

Approval of the Board for related party transactions is required to be taken at a Board meeting and cannot be taken through a resolution by circulation.

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board, such approval may be taken within three months from the date on which such contract or arrangement was entered into.

#### **C. Shareholders:**

If a related party transaction is

- (i) a material related party transaction and subsequent material modification, or
- (ii) transaction not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Act and the Rules made thereunder (as amended from time to time),

It shall require shareholders' prior approval by a resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

Prior approval of the Shareholders of the Company shall not be required for those RPTs where Company's listed subsidiary is a party but the Company is not a party.

The Company shall not enter into below transactions with related parties unless prior approval of the Shareholders of the Company is obtained by way of ordinary/special resolution passed at EGM/Postal Ballot (as applicable for the time being in force in accordance with the Act and Listing Regulations), which shall be subject to monetary ceilings specified therein:

<b>Sr. No.</b>	<b>Nature of Transaction(s)</b>	<b>Monetary Ceiling year per related party</b>
1	Sale, purchase or supply of any goods or materials or services directly or through appointment of agent	amounting to ten percent or more of the turnover of the Company as per the last audited financial statements of the Company.
2	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 per the last audited financial statements of the Company
3	Leasing of property of any kind	amounting to ten percent or more of the turnover of company as per the last audited financial statements of the Company
4	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 per the audited financial statements of the preceding financial year.
5	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 two and a half lacs rupees or as per performance assessment by the Company and industry standards
6	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company	exceeding one percent of the net worth of the Company as per the last audited financial statements of the Company
7	Other related Party Transactions in the normal course of business	Such other transactions as would be required approval of the Audit Committee and Board of Directors

Requirement of passing the shareholders resolution shall not be required for transactions entered into between a Company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

## **5. CRITERIA FOR APPROVING RELATED PARTY TRANSACTIONS**

All the Related Party Transactions with respect to certain transactions as mentioned vide Section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company, unless :

- (i) transactions entered into by the company are in its ordinary course of business; and
- (ii) transactions are at an arm's length basis.

## **6. DISCLOSURES**

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 submit within 30 days from the date of publication of its financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified if any in the relevant accounting standards for annual results to the stock exchanges and publish the same on the Company's website.

## **7. SCOPE AND LIMITATIONS**

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

## **8. AMENDMENTS**

This Policy (including threshold limits) shall be reviewed by the Board of Directors at least once every three years and/or as and when required subject to applicable laws and updated / amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary.