



Tirupati Starch & Chemicals Limited

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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS (RPTS) AND DEALING WITH RELATED PARTY TRANSACTIONS

PREAMBLE

The Board of Directors of Tirupati Starch & Chemicals Limited ("the Company") has adopted this policy and procedures for dealing with Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 and rules made thereunder and any subsequent amendments thereto and Regulation 23 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, as may be amended from time to time in order to ensure the effective compliance and transparency.

This Policy, regarding the review and approval of Related Party Transactions has been adopted by the Company's Board of Directors in order to set forth the procedures under which certain transactions must be reviewed, approved or ratified.

This Policy applies to transactions between the Company and its Related Party/ies. It provides a framework for governance and reporting of Related Party Transaction(s) including Material Transactions.

OBJECTIVE

The focus of our Company is always on better and effective compliance and to fulfill its Responsibility with highest Ethical conduct.

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 Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

The Board may amend this Policy from time to time as may be required. The Audit Committee of Board shall review, approve and ratify Related Party Transactions and recommend to the Board any amendment or modification to the Policy, as and when required.

DEFINITIONS

“Act” means the Companies Act, 2013 & rules made thereunder.

“Arm’s Length Transactions” means transactions between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Audit Committee” means the Committee constituted by the Board of Directors of the Company, from time to time, under the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

“Board of Directors or Board” means the Board of Directors of Tirupati Starch & Chemicals Limited, as constituted from time to time.

“Company” means Tirupati Starch & Chemicals Limited.

“Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013.

“Ordinary Course of Business” would include transactions which are entered into in the normal course of the business pursuant to or for promoting or in furtherance of the company’s business objectives, as per the as per the Memorandum & Articles of Association of the Company.

“Material Related Party Transactions” means 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 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.

“Material Modifications” means any change in the approved terms which has a financial implication of 25% or more of the contract/transaction value or Rs. 1 crore, whichever is lower.

“Policy” means this Policy on Materiality of Related Party Transactions (RPTs) and Dealing with Related Party Transactions, as amended from time to time.

“Related Party or Related Parties” means related party as defined under Section 2(76) of the Companies Act, 2013 and as defined in regulation 2 sub-regulation (1) clause (zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with amendments issued from time to time.

“Related Party Transaction” means any transaction or arrangement in which the Company and Related Party are contracting parties either directly or indirectly with respect to the items specified in Section 188(1) of the Companies Act, 2013 and as defined in regulation 2 sub-regulation 1 clause (zc) of SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, read with amendments issued from time to time.

“Relative” means a relative as defined under under Regulation 2(1)(zd) of SEBI (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, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI Act, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, unless the context otherwise require.

PROCEDURE & IDENTIFICATION OF TRANSACTION WITH RELATED PARTIES

Procedure:

1. Prior to the entry into potential Related Party Transaction, such transaction will be reported to the Chief Financial Officer (CFO) of the Company. The Related Party Transaction that is brought to CFO's attention is analyzed by Board of Directors of the Company to determine whether
 - i) the transaction or relationship does, in fact, constitute a Related Party Transaction, requiring compliance with this Policy;
 - ii) the proposed/existing transaction/contract is in ordinary course of business; and
 - iii) at arm's length.
2. Once identified by Board of Directors & CFO, all the proposed/existing related party transactions shall be reported promptly to the Audit Committee, or in the event that the Board of Directors has an interest in the Related Party Transaction, the transaction shall be reported to the Audit Committee by CFO of the Company and vice versa for the Approval of Audit Committee.
3. The Audit Committee shall be provided with the material facts of all new, existing or proposed Related Party Transactions. The Audit Committee will determine whether to refer the Related Party Transaction to the Board of Directors for consideration or; or whether to such transactions for prior approval by Shareholders of the Company.

Identification:

Each Director and Key Managerial Personnel and Related Party is responsible for providing notice to the Company of any potential Related Party Transaction where he may be considered interested. Audit Committee will determine whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. The Directors and KMPs and Related Party will ensure that notice of any potential Related Party Transaction is delivered well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

ARM'S LENGTH EVALUATION

The Act or Rules framed there under or Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 require that transactions between Related Parties be conducted at Arm's Length. However, Arm's Length transaction has been defined under Explanation (b) of Section 188 of the Act as the transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

APPROVAL BY AUDIT COMMITTEE

Every Related Party Transactions and subsequent modifications shall be subject to prior approval of the Audit Committee whether at a meeting or by circular resolution (as may be permissible). To review the Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

The Audit Committee may grant Omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the conditions specified under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

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 as per the conditions specified under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

APPROVAL OF BOARD

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 an Ordinary Course of Business and/or not at an Arms' Length Basis, shall be placed before the Board for its approval.

APPROVAL OF SHAREHOLDERS OF THE COMPANY

Subject to the exceptions provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material Related Party Transactions shall require approval of the Shareholders of the Company. No related party with respect to the Company shall vote to approve such resolutions.

Transactions with related parties which are not in the ordinary course of business or at arm's length basis and exceeds the ceiling provided under rule 15 of Companies (Meeting of Board and its powers) Rules, 2014 (as amended) read with Section 188 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall require prior approval of shareholders of the Company subject to exceptions provided under the Act & SEBI (LODR) regulations, 2015.

ADMINISTRATIVE MEASURES

All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy. The detailed processes relating to implementation of this Policy, as may be approved by the Audit Committee from time to time, shall be followed by all concerned. It is the duty of all employees of the Company to ensure that they do not deal with related parties under any kind of influence or coercion. The cases involving any unwarranted pressure should be promptly reported as per mechanism provided under the Whistle Blower Policy of the Company.

AMENDMENTS & LIMITATION

The words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law or regulation, as amended from time to time.

This Policy, including definition and other provisions of the Policy shall stand amended because of any regulatory amendments, clarifications etc. in the applicable laws, rules and regulations. In case of any amendment(s), clarification(s), circular(s), notification(s), etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions of this Policy.

In the event of any conflict between the provisions of this Policy and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Companies Act, 2013 or any other statutory enactments, rules, then, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Companies Act, 2013 or other statutory enactments, rules, as the case may be shall prevail over this Policy and shall be adhered to accordingly by all concerned.

DISCLOSURE

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company. The Company shall disclose this Policy on its website www.tirupatistarch.com. Further, the Company shall also make necessary disclosures in Annual Report, and/or to the Stock Exchanges, as may be required to be made under applicable laws.

Note: This Policy has been reviewed and modified by Board in the meeting held on 23.05.2025.
