



# THOMAS SCOTT (INDIA) LIMITED

## POLICY ON RELATED PARTY TRANSACTIONS

### DOCUMENT CONTROL SHEET

#### Version History

Version	Date	Changes and Reasons for change
1.0	August 2014	Release date
2.0	December 2015	Changes based on Companies SEBI LODR 2015
3.0	May 2018	Changes based on Companies (Amendment) Act, 2017
4.0	February 2025	Changes based on SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 and SEBI Circular dated October 13, 2025 on Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” (“RPT Industry Standards”)



**Table of Contents**

<b>Sn</b>	<b>Particulars</b>	<b>Page Nos.</b>
<b>1.</b>	<b>Preamble</b>	<b>3</b>
<b>2.</b>	<b>Purpose</b>	<b>3</b>
<b>3.</b>	<b>Definitions</b>	<b>3-6</b>
<b>4.</b>	<b>Policy and Procedure</b>	<b>7-11</b>
<b>5.</b>	<b>Transactions which do not require approval</b>	<b>11</b>
<b>6.</b>	<b>Policy Review and Amendment</b>	<b>11</b>
<b>7.</b>	<b>Effect of Non-approved Related Party Transactions</b>	<b>12</b>
<b>8.</b>	<b>Administrative measures</b>	<b>12</b>
<b>9.</b>	<b>Interpretation</b>	<b>12</b>
<b>10.</b>	<b>Disclosures</b>	<b>12</b>

<b>1.</b>	<b>Preamble</b>
-----------	-----------------

This Policy is framed pursuant to the requirements of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s), amendment(s) or re-enactment(s) thereof (“SEBI LODR”), the Industry Standards on Minimum Information to be provided to the Audit Committee and Shareholders (“ISN”), and in accordance with Section 188 of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

This Policy has been adopted by the Board of Directors on the recommendation of the Audit Committee. The Audit Committee shall review this Policy from time to time and recommend amendments, if any, to the Board for its approval.

<b>2.</b>	<b>Purpose</b>
-----------	----------------

The Company recognizes that Related Party Transactions (RPTs) can create potential or actual conflicts of interest and may affect whether transactions serve the best interests of the Company and its shareholders.

This Policy is framed to:

- Ensure high standards of corporate governance in dealing with Related Parties.
- Establish principles, procedures, and controls for the review, approval, ratification, and reporting of RPTs.
- Ensure compliance with the Companies Act, 2013, related rules, and SEBI LODR regulations.
- Prescribe materiality thresholds for Related Party Transactions.

<b>3.</b>	<b>Definitions</b>
-----------	--------------------

**“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof as amended from time to time.

**“Board”** means the Board of Directors of the Company.

**“Audit Committee”** means the Audit Committee constituted by the Board under Section 177 of the Act and Regulation 18 of SEBI LODR. **“Related Party”** shall have the meaning assigned under as amended from time to time:

- (i) Section 2(76) of the Act; and
- (ii) Regulation 2(zb) of SEBI LODR.

It shall also include:

- all persons or entities forming part of the promoter or promoter group; and any person or entity holding equity shares in the Company;
- 20% or more during the immediately preceding financial year; and
- 10% or more with effect from 1 April 2023.

**“Related Party Transaction” (“RPT”)** means a transaction involving the transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

The RPT shall include transactions between:

a) 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

b) 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.

**Explanation:** A “transaction” with a Related Party shall be construed to include a single transaction or a group of transactions in a contract.

**‘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. For determination of arm’s length basis, guidance may be taken from the provisions relating to transfer pricing under the Income-tax Act, 1961.

All Related Party Transactions shall be carried out on an arm’s length basis, i.e., on terms which are comparable to those which would be agreed between unrelated parties under similar circumstances. In the absence of specific guidelines under the Companies Act, 2013, the Company shall follow the arm’s length pricing framework approved by the Audit Committee or adopt any other reasonable methodology to demonstrate that such transactions are at arm’s length. The pricing of long-term or recurring Related Party Transactions shall be reviewed periodically to ensure that such transactions continue to be at arm’s length.

**‘Associate company’** means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company.

**Explanation:** For the purposes of this definition:

- (a) The expression "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement;
- (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

**“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**“Relative”**, with reference to any person, means anyone who is related to another, if—

- They are members of a Hindu Undivided Family;
- They are husband and wife; or
- One person is related to the other in such manner as may be prescribed

*Pursuant to Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014, the following persons shall be **deemed to be relatives**:*

- Father (including step-father)
- Mother (including step-mother)
- Son (including step-son)
- Son's wife
- Daughter
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)

**“Turnover”** means the gross amount of revenue recognised in the profit and loss account from the sale, supply or distribution of goods or from the rendering of services, or both, by the Company during a financial year.

**“Policy”** means Related Party Transaction Policy.

### **Material Related Party Transaction**

**"Material Related Party Transaction"** in terms of SEBI LODR means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year, if exceeds the following thresholds:

<b>Consolidated Turnover of Listed Entity</b>	<b>Threshold</b>
(i) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company.
(ii) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
(iii) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or Rs. 5,000 Crores, whichever is lower

**Explanation:** For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements.

### **Threshold under Companies (Meetings of Board and its Powers) Rules, 2014**

<b>Nature of Transactions</b>	<b>Materiality as per Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014</b>
Sale, purchase or supply of any goods or materials directly or through appointment of agents	10% or more of turnover
Buying, selling or disposing of property of any kind directly or through appointment of agents	10% or more of Net worth,

Leasing of any kind of property	10% or more of turnover
Availing or rendering of any services directly or through appointment of agents	10% or more of turnover
Appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs.250,000
Remuneration for underwriting the subscription of any securities in or derivatives thereof	Exceeding 1% of net worth

***Note: Net worth and turnover would be as per Audited accounts of preceding financial year.***

“**ISN**” means Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, including any modification(s) / amendment(s) / re-enactment(s) thereof.

#### **Regulations or Listing Regulations**

“**Regulations**” or “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications or re-enactment thereof.

#### **Material Modifications**

For the purpose of this Policy, “Material Modification” shall mean any change to a previously approved Related Party Transaction which results in:

- (a) an increase or decrease in the transaction value by 20% or more; or
- (b) any change in pricing, quantity, nature, tenure or other material commercial terms of the transaction.

All Material Modifications shall require prior approval of the Audit Committee and, wherever applicable, prior approval of the shareholders in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Ordinary Course of Business**

A transaction shall be considered to be in the ordinary course of business if it:

- (a) is undertaken in furtherance of the Company’s business objectives; and
- (b) forms part of the normal and routine business operations of the Company.

<b>4.</b>	<b>Policy and Procedures</b>
-----------	------------------------------

**Policy**

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

**Procedures**

**1A. Process for Identification of Related Parties**

**The Company shall identify Related Parties (including those of its subsidiaries), as per requirement of Act and SEBI LODR and keep the related party list updated from time to time;**

Every director, key managerial personnel (KMPs) and promoters shall at the beginning of the financial year provide information by way of written notice to the Company regarding their concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per Act and SEBI LODR. Directors, KMPs and promoters are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party, as per Act and SEBI LODR. Every director, KMP and promoter shall also be required to immediately intimate (within not more than 7 days) to the Company Secretary, any change (addition or deletion) to previously provided disclosure of concern or interest in any entity or list of relatives.

The identified Related Parties shall be tagged in Tally or equivalent accounting system of the Company or its subsidiaries.

Further, before any new vendor/customer is onboarded into the Tally or equivalent system of the Company or its subsidiaries, as a part of vendor/ customer due diligence process, it shall also be checked from (i) the list of related parties so prepared and (ii) the promoter group, whether the new vendor/customer is a related party and if so, it shall be tagged as Related Party in the system.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in Act and the rules thereunder and SEBI LODR, as amended from time to time. A consolidated list of Related Parties ("Reference List") shall be prepared, updated from time to time and circulated to all Business Heads and Functional Heads for compliance.

All Related Party Transactions ("RPTs") shall be placed before the Audit Committee of the Company for review and approval in accordance with this Policy.

The Audit Committee shall determine whether a transaction constitutes a Related Party Transaction and whether it is in the ordinary course of business and at arm's length.

## **B. Process for Monitoring Related Parties**

Directors and KMPs shall promptly intimate the Secretarial Department of any change in their disclosures.

The Secretarial Department shall update the Reference List based on such intimations and changes in corporate or investment structure.

Business Heads shall ensure that RPTs are undertaken in accordance with the approved Framework and this Policy and shall submit periodic compliance confirmations to the Company Secretary, which shall be placed before the Audit Committee.

## **2. Review and Approval of Related Party Transactions**

### **Audit Committee –**

- Every Related Party Transactions (“RPTs”) of the Company and any subsequent material modifications thereto shall require prior approval of the Audit Committee. Only those members of the Audit Committee who are Independent Directors shall approve RPTs.
- The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company or its subsidiaries, subject to compliance of the conditions contained in Act and SEBI LODR, as amended from time to time.
- The Company shall, while placing any proposed Related Party Transaction before the Committee for review and approval, provide the information in the format specified in the ISN and such other information as may be called for by the Audit Committee:
- The ISN shall not be applicable to:
  - a) Transactions exempted under Regulation 23(5) of the SEBI LODR; and
  - b) Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of SEBI LODR.
  - c) Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) do not exceed rupees one crore

The omnibus approval shall be valid for a period of one year from the date of approval.

Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- Prior approval of the Audit Committee shall be required for:
  - (a)** All RPTs of the Company and any subsequent material modifications thereto;
  - (b)** RPTs exceeding Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party, where the value of such transaction exceeds the lower

of:

- (i) ten percent of the annual standalone turnover of the subsidiary as per its last audited financial statements; or
- (ii) the threshold for Material Related Party Transactions of the listed entity as specified in Schedule XII of the SEBI LODR;

(c) In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, if the value of such transaction exceeds the lower of the following:

- (i) ten percent of the aggregate value of the paid-up share capital and securities premium account of the subsidiary; or
- (ii) the threshold for Material Related Party Transactions of the Company as specified in Schedule XII of the SEBI LODR.

**Provided that** the aggregate value of the paid-up share capital and securities premium account of the subsidiary shall be considered as on a date not earlier than three months prior to the date of seeking approval of the Audit Committee.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

### **C. Ratification of Related Party Transactions**

In the event any Related Party Transaction (“RPT”) is entered into without obtaining prior approval of the Audit Committee, such transaction may be ratified by the members of the Audit Committee who are Independent Directors within a period of three months from the date of such transaction or at the immediately succeeding meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- i) the aggregate value of the transaction(s) with a related party, whether entered into individually or taken together during a financial year, shall not exceed Rupees One Crore;
- ii) such transaction is not a material related party transaction in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iii) the rationale for failure to obtain prior approval of the Audit Committee shall be placed before the Audit Committee at the time of seeking ratification; and
- iv) the details of such ratification shall be disclosed in accordance with Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v) any other condition as specified by the Audit Committee.

Provided that Failure to seek ratification of such transaction shall render the transaction voidable at the option of the Audit Committee. Where such transaction is entered into with a related party of any director, key managerial personnel or promoter, or is authorised by any such person, the concerned director(s), key managerial personnel or promoter(s), as the case may be, shall indemnify the Company against any loss incurred as a result thereof.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

To review proposed RPTs placed before the Committee for approval alongwith the information in the format specified in the ISN.

The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

#### **D. Approval of the Board and Shareholders**

All Related Party Transactions which are not in the ordinary course of business or not on an arm's length basis shall require prior approval of the Board of Directors of the Company. Where any director is interested in any RPT shall abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price **and** are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under Act and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs. All Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and the shareholders by way of an Ordinary Resolution, and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that shareholders' approval shall not be required for RPTs where a listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.

Provided further that these requirements shall not apply to:

(a) a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, subject to disclosure to the stock exchanges within one day of the resolution plan being approved.

(b) RPTs entered into between the Company and its wholly-owned subsidiary(ies), whose accounts are consolidated and placed before the shareholders in general meeting for approval, shall not require approval of the audit committee, board or shareholders.

Provided further that the provisions pertaining to:

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of audit committee, board or shareholders for Material

Related Party Transactions and subsequent Material Modifications shall not be applicable when the transactions are entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

## 5. Transactions which do not require approval

Any transaction in which the Related Party's interest arises solely from its ownership of securities issued by the Company and where all holders of such securities receive the same benefits on a pro rata basis as the Related Party, shall not be treated as a Related Party Transaction, including the following:

- a) issue of specified securities on a preferential basis, subject to compliance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; the following corporate actions which are uniformly applicable to all shareholders in proportion to their shareholding:
  - ii) subdivision or consolidation of securities;
  - iii) issuance of securities by way of a rights issue or a bonus issue; and
  - iv) buy-back of securities;
- b) payment of dividend;
- c) retail purchases from the Company or its subsidiary by its directors or employees, without establishing a business relationship and on terms which are uniformly applicable to all employees and directors.
- d) Further, the remuneration and sitting fees paid by the Company or its subsidiary to its directors, key managerial personnel or senior management (other than those forming part of the promoter or promoter group) shall not require approval, provided that the same is not material in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 6. Policy Review and Amendment

This Policy is framed in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

In case of any amendment to the Act, SEBI LODR or any other applicable law which renders any provision of this Policy inconsistent, the provisions of such law shall prevail and this Policy shall be suitably amended to ensure compliance.

The Policy shall be reviewed by the Audit Committee as and when required and any modification recommended by the Audit Committee shall be placed before the Board of Directors for approval. The Board shall review this Policy at least once every three (3) years and updated accordingly.

This Policy was last amended pursuant to the recommendations of the Audit Committee meeting held on 14<sup>th</sup> February, 2026 and approved by the Board of Directors at their respective meetings held on 14<sup>th</sup> February, 2026.

#### **7. Effect of Non-approved Related Party Transactions**

If any Related Party Transaction (“RPT”) is entered into without prior approval under this Policy, the same shall be placed before the Audit Committee for review.

The Audit Committee may take appropriate action, including ratification, modification or termination of such transaction.

Where the Audit Committee does not ratify such transaction, it may direct suitable corrective measures, including discontinuation or revision of the transaction.

For the purpose of such review, the Audit Committee shall have the authority to waive or modify procedural requirements of this Policy.

#### **8. Administrative Measures**

The Management shall establish appropriate systems and controls to ensure that all RPTs are identified, reviewed and carried out in compliance with this Policy.

All employees and officials dealing with Related Parties shall be responsible for compliance with this Policy. Business and Functional Heads shall periodically confirm compliance to the Audit Committee through the Secretarial Department.

#### **9. Interpretation**

In the event of any inconsistency between this Policy and any applicable law or regulation, the provisions of such law or regulation shall prevail until this Policy is suitably amended.

#### **10. Disclosure**

Details of material RPTs shall be disclosed on a quarterly basis along with the Corporate Governance Compliance Report filed with the Stock Exchanges where the securities of the Company are listed.

The Company shall submit information related to RPTs to the stock exchanges every six months, in the format specified by the SEBI LODR, simultaneously with the publication of financials and also publish the same on its website.



Provided that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure provided that the same is not material in terms of the provisions of sub-regulation (1) of SEBI LODR.

This Policy shall be hosted on the Company’s website and the web link thereto shall be disclosed in the Company’s Annual Report.

Details of Related Party Transactions which are not in the ordinary course of business and/or not on an arm’s length basis shall be disclosed in the Board’s Report along with justification for entering into such transactions as per applicable provisions of Act and SEBI LODR. This Policy will be communicated to all operational employees and other concerned persons of the Company.

\*\*\*\*\*

