

TRUE GREEN BIO ENERGY LIMITED

Related Party Transactions Policy

RELATED PARTY TRANSACTIONS POLICY

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Related Party Transactions Policy

Details of Adoption / Amendments to the Policy Adoption /Change effective Date	Particulars of the Adoption / Change	Version of Policy
1st October, 2014	Adoption of Policy	Original
3rd August, 2017	Regulation 23 of the SEBI (LODR) Regulations, 2015	V-1
22nd October, 2019	Pursuant to the amendments in the SEBI (LODR) Regulations, 2015, from time to time	V-2
1st April, 2022	Pursuant to SEBI Circular No. SEBI /HO /CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021	V-3
28 th February, 2025	Pursuant to amendments in SEBI (LODR) Regulations, 2015	V-4

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1. Preamble

The Board of Directors (the "Board") of True Green Bio Energy Limited (the "Company"), has adopted following policy and procedures with regard to Related Party Transactions as defined below. The Board of Directors will approve amendments to the policy based on the recommendations of the Audit Committee of the Company.

This policy will be applicable to the Company to regulate the transactions between the Company and its Related Parties; transactions between the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand.

2. Purpose

2.1 This policy is framed as per the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") read with rules frame there under, the requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and amendment thereto, 2015 (hereinafter 'Listing Regulations') and Indian Accounting Standards.

2.2 This policy intends to ensure proper approval, reporting and disclosure 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. The policy seeks to ensure that related party transactions are appropriately reported to the regulatory authorities and are also in compliance with other regulatory requirements like the Listing Regulations, Companies Act, 2013, Income Tax Act, 1961, the applicable India Accounting Standards, etc.

3. Definitions

3.1 "Act" means Companies Act, 2013 read with rules framed thereunder, as amended from time to time.

3.2 "Accounting Standards" means Indian Accounting Standards as issued by Institute of Chartered Accountants of India.

3.3 "Arm's Length Transactions" means a transaction between Related Parties that is conducted as if they were unrelated.

3.4 "Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under the provisions of Listing Regulations and / or the Companies Act, 2013.

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

3.6 “Director” means a Director on the Board of Directors of the Company appointed under the Act.

3.7 “Key Managerial Personnel /Key Management Personnel / KMP” means key managerial personnel as defined under the Act and Indian Accounting Standards

3.8 “Listing Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.9 “Material Related Party Transaction”

As per Listing Regulations, 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 Company as per the last audited financial statements 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 Related Party Transaction(s), if such Related Party Transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.10 “Material Modifications in Related Party Transactions” means any change in the terms of the transaction which results in change in the value of transaction by 20% or more than the approved value of the transaction.

Provided that change in the value of RPT on account of following shall not be considered as Material Modification:

- a) Change in quantity or rate of the existing RPT due to the reasons beyond the control of the Related Parties
- b) Change due to revision / imposition of statutory levies like taxes, duties, etc.

The Audit Committee is empowered to make necessary amendment relating to such percentage, as and when deem necessary.

3.11 “Ordinary course of business” means transactions within normal business customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum of Association & Articles of Association of the Company.

3.12 “Policy” means Related Party Transaction Policy

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3.13 “Related Party” means a related party as defined under the Act and/or Listing Regulations and Indian Accounting Standards.

3.14 “Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- i 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
- ii 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 April 1, 2023; 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;

The following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- i retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and Directors. They are members of a Hindu Undivided Family;
- ii They are husband and wife; or
- ii Father (including step-father)
- iii Mother (including step-mother)
- iii Son (including step-son)
- iv Son’s wife
- v Daughter
- vi Daughter’s husband
- vii Brother (including step-brother)
- viii Sister (including step-sister)

Identification of Related Party:

- a. at the time of appointment;
 - b. periodically – as required by the Company or applicable law;
- whenever there is any change in the information already submitted; 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:

Provided that the following shall not be a related party transaction:

- 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.

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

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The above definitions shall be read as provided in the amended provisions, if any, of the Act, Listing Regulations or any other law or regulation and such change will not be considered as change in this Policy. Any term(s) not defined in the Policy shall have the same meaning as assigned to such term(s) in the Act and / or the Listing Regulations or any other applicable law or regulation.

4. Policy: Every Promoter, Director and Key Managerial Personnel (KMP) of the Company and its subsidiaries/ Joint venture shall, provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary / Joint venture (as the case may be).

In addition to above, the Company will identify related party(ies) from the data available in public domain.

4.2 Identification of Potential Related Party Transactions: 4.2.1 Information received from promoter, director and key managerial personnel (KMP) by Company as per para 4.1 will be used to identify related parties. Any transaction entered in or likely to be entered in with these related parties will be presented to the Board / Audit committee for approval in prescribed manner.

4.2.2 The Company will identify potential related party(ies), based on details available in public domain and relationships identified based on data collected in para 4.1.

4.2.3 The Company will identify the related party transaction as prescribed in the Act/Regulation/Ind AS.

4.3 Related Party Transaction Value 4.3.1 All Related Party Transaction(s) shall be entered on Arms' Length basis.

4.3.2 For each category of transactions identified under related party transaction, the Company has a specific framework/guidelines explaining the arm's length criteria to be followed by the Company and/or the subsidiary, as may be applicable, while entering into transactions or contracts or agreements with related parties. The Company and/or the subsidiary, as may be applicable, while entering into related party transactions will ensure adherence with the framework / guidelines and will maintain necessary documents for the same as mentioned in framework / guidelines.

4.3.3 All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of the Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

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4.4 Approval from Audit Committee 4.4.1 All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company.

The process of collecting information is based on voluntary declaration by Director, Promotor and Key Managerial Personnel (KMP).

Prior Approvals:

4.4.1 Any member of the Audit Committee who has a potential interest in any Related Party Transaction will excuse himself or herself and abstains from discussion and voting on the recommendation / approval of the Related Party Transaction.

4.4.2 A related party transaction to which the subsidiary of Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company 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 consolidated turnover, as per the last audited financial statements of the Company; or exceeds ten per cent of the annual standalone turnover of the subsidiary as per the last audited financial statements.

4.4.3 Remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of sub-regulation (1) of the Listing Regulation.

4.4.4 In case where the Audit Committee has granted Omnibus Approval for the Related Party Transactions proposed to be entered into by the Company or its subsidiary in accordance with Para 4.4.5 of this Policy, prior approval of Audit Committee for each such transaction shall not be required.

4.4.5 The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:

Prior approval of the audit committee of the Company shall not be required for a related party transaction 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 these regulations are applicable to such listed subsidiary of the Company.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the audit committee of the listed subsidiary shall suffice.

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Omnibus approval:

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions and Such approval shall be applicable in respect of transactions which are repetitive in nature. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company. Such omnibus approval shall specify (i) the name(s) of the related party(ies), nature of transaction, (ii) Relationship of party(ies) with the Company, (iii) period of transaction, (iv) maximum amount of transaction that can be entered into, (v) the indicative base price / current contracted price and the formula for variation in the price, if any, (vi) such other conditions as the Audit Committee may deem fit.

4.4.6 Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

4.4.7 The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

4.4.8 Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

4.4.9 Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

4.4.10 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be presented before the Audit Committee for consideration, and ratification, if appropriate.

4.4.11 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 conditions specified in clause (f) of sub-regulation (2) of Regulation 23 of Listing Regulations.

4.4.12 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 authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

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4.4.13 The details of ratification shall be disclosed along with the disclosures of related party transactions as per requirement of Listing Regulations.

- Transactions exceeding materiality thresholds as laid down in the Policy.
- Transactions in respect of selling or disposing of an undertaking of the Company.
- Financial Transactions e.g. Loan to/from related parties, Inter Corporate Deposits,
- subscriptions to bond, debenture or preference shares issued by the related parties,
- corporate guarantee given/received from related parties.
- Any other transaction the Audit Committee may deem not fit for omnibus approval.
- Transaction which are not at Arm's Length price
- Transaction which are not in ordinary course of business
- Transaction which are not repetitive in nature

Ratification of transactions by Audit Committee:

- 4.4.14 In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
- **4.5 Approval of Board of Directors:** 4.5.1 As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its prior approval.
- 4.5.2 Transactions in respect of which the Audit Committee is unable to determine whether they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- 4.5.3 Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- 4.5.4 Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
- 4.5.5 The Board may seek further information or clarification as may be necessary for them to reach to the conclusion on the matter. Any member of the Board who has a potential interest in any Related Party Transaction shall not be participate at the meeting during discussions and voting on the subject matter of the resolution relating to such transaction.

Review of Related Party Transaction by Audit committee: Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

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- a. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any
- b. Whether the Related Party Transaction would affect the independence of an independent director; Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- c. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- d. Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant. Such other information as may be required to be reviewed under SEBI Circular dated November 22, 2021 or any other circulars as issued from time to time.

4.6 Approval of Shareholders

4.6.1 All transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the defined Materiality of transaction shall be placed before the shareholders for their approval.

4.6.2 Transactions meeting the materiality thresholds of the Policy and any subsequent Material Modification to a Material Related Party Transaction, shall require prior approval of the shareholders through resolution.

4.6.3 The notice being sent to the shareholders seeking approval for any proposed related party transaction shall, include information as required under the Act and the SEBI Listing Regulations.

4.6.4 The shareholders' approval of material related party transactions approved in an annual general meeting shall be valid up to the date of the next annual general meeting for a period not exceeding fifteen months. Further in case of approval for material related party transactions, obtained from shareholders in general meetings other than annual general meeting, the validity of such approvals shall not exceed one year.

4.6.5 Pursuant to Regulation 23(5)(b) of the SEBI Listing Regulations and Section 188(1) of the Act the requirement for seeking shareholders' approval shall not be applicable, inter alia, to:

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4.6.6 For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

4.7 Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders: For above purposes, no related party shall vote to approve the relevant resolution irrespective of whether the entity is a related party to the particular transaction or not.

- Transactions entered between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- Transactions 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.
- Above prior approval of the Shareholders shall not be required in cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the Listing Regulations are applicable to such listed subsidiary.
- Also, requirements for shareholders' approval shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the exchanges within one day of the resolution plan being approved.
- 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, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- 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.
- The transaction pertains to making investment in or granting of loan or issuance of guarantee on behalf of such wholly owned subsidiary.
- 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.
- Transactions involving corporate restructuring such as capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Act or Listing Regulations and other applicable provisions.
- Contribution towards Corporate Social Responsibility within the overall limits approved by the Board and CSR Committee.

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5. Disclosures

- The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.
- The Company is also required to disclose this policy on its website.
- The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.
- The financial statements should contain disclosures relating to Related Parties as required by Indian Accounting Standard.
- Details of all Related Parties Transactions on a consolidated basis shall be disclosed, on a half yearly basis, to the Stock Exchanges. 6.1.1 Prior approval of the Audit Committee for the following transactions with the related parties are not sought as the value of the transaction(s) cannot be projected / ascertained. 6.1.2 The said transactions will be updated to the Audit Committee as and when respective transaction is entered into. Such a transaction(s) shall not be deemed to violate this policy, or be invalid or unenforceable.

6. Exemption of prior approval of Audit Committee

- i Sales return,
- ii Employees Group Gratuity Fund,
- iii Employees Superannuation Scheme,
- iv Dividend receipt,
- v Dividend payment, and
- vi Reimbursement of expenses / income to RPT.

This policy came into effect from 28th February, 2024, the subsequent modification/ amendment to the Policy shall be effective from such date as provided in the Act and/or Listing Regulations. Nothing in this policy shall override any provisions of law made in respect of any matter stated in this policy.

7. Amendment

Any amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

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8. Review

Policy would be reviewed and amended as and when required but at least once in three years subject to approval of the Board.
