

## POLICY ON RELATED PARTY TRANSACTIONS

Version Control					
Version	Effective Date	Author	Reviewer	Approver	Notes
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2.0	May 18, 2022	Alaka Chanda, Company Secretary and Compliance Officer	Ramani Dathi – Chief Financial Officer	Board of Directors	Annual Policy Review
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5.0	January 29, 2025	Pola Namrata/ Shikha Chourasia - Secretarial Department	Alaka Chanda, Company Secretary and Compliance Officer	Board of Directors	To align with SEBI (LODR) amendments dated December 12, 2024
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**TeamLease Services Limited Restricted**

This Policy on Related Party Transaction (Policy) is not to be copied or distributed without the express written consent of TeamLease Services Limited. No part of this document may be used for purposes other than those intended by TeamLease Services Limited.

## Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Whilst, the Organisation has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Organisation may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

## 1. INTRODUCTION

The Board of Directors ("Board") of TeamLease Services Limited ("Company") has adopted the following policy and procedures with regard to Related Party Transactions after considering the recommendations of the Audit Committee, and associated procedures with regard to Related Party Transactions, in line with the requirements of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as may be applicable to the Company.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place in order to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company. This Policy specifically deals with the review and approval of material Related Party Transactions, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

## 2. OBJECTIVE OF THE POLICY

This Policy is framed to ensure systematic identification, approval and / or reporting of transactions, as applicable, between the Company and any of its Related Parties in the best interest of the Company and its stakeholders based on the provisions of SEBI LODR and Companies Act, 2013. The objective of this Policy is to set out:

- a) Materiality thresholds for Related Party Transactions; and
- b) The manner of dealing with the transactions between the Company and its Related Parties.

## 3. DEFINITIONS

**"Act"** means the Companies Act, 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars thereof.

**"Arm's Length Basis"** in pursuance of Explanation (b) to section 188 (1) of the Act, 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 provisions of Transfer Pricing under Income Tax Act, 1961.

**"Audit Committee or Committee"** means "Audit Committee" constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013, from time to time.



**“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 and as definition amended from time to time.

**“Subsidiary Company”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 in relation to any other company (that is to say the holding company), means a company in which the holding company —

(i) controls the composition of the Board of Directors; or

(ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation—For the purposes of this clause —

(a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

(b) the composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors;

(c) the expression “company” includes any body corporate;

(d) “layer” in relation to a holding company means its subsidiary or subsidiaries;

**“Board of Directors” or “Board” or “Directors”** means the Board of Directors of TeamLease Services Limited, as constituted from time to time.

**“Company”** means **TeamLease Services Limited**

**“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.

**“Key Managerial Personnel” or “Key Management Personnel”** : “Key Managerial Personnel”, means—

(i) the Chief Executive Officer or the Managing Director or the manager;

(ii) the Company Secretary;

(iii) the Whole-Time Director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013 and Rules thereunder.

**“Material Related Party Transaction(s)”:**

a) Section 188(1) of the Act read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, means:

Sl. No.	Transaction or contract or arrangements for	Threshold Limits
(i)	Sale, purchases or supply of any goods or materials, directly or through appointment of agent	10% or more of turnover of the Company
(ii)	Selling or otherwise disposing of, or buying property of any kind, directly or through appointment of agent	10% or more of net worth of the Company
(iii)	Leasing of property of any kind	10% or more of Turnover of the Company
(iv)	Availing or rendering of any services, directly or through appointment of agent	10% or more of Turnover of the Company
(v)	For appointment to any Office or place of profit in the Company, its subsidiary or associate company	Where monthly Remuneration exceeds Rs. 2,50,000/-
(vi)	Remuneration for Underwriting the subscription of any securities or derivatives thereof, of the Company	For amount exceeding 1% of net worth of the Company

**Explanation(s):**

- i. The limits specified in clause (i) to (iv) above shall apply for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
- ii. The Turnover or Net worth shall be computed on the basis of the Audited Financial Statements of the preceding financial year.

b) In terms of Regulation 23 of the SEBI Listing Regulations, ‘Material Related Party Transactions’ means a transaction with a Related Party shall be considered to be material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year exceeds the thresholds specified in Schedule XII of these regulations.

Further, 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 five percent of the annual consolidated turnover as per the last audited financial statements of the Company.

**“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.

**“Policy”** means Policy on Related Party Transactions.

**“Ordinary Course of Business”** shall cover all the usual transactions, customs and practices of the Company and / or its line of business.

**“Related Party(ies)”**

means a related party as defined under:

- (a) Section 2(76) of the Companies Act;
- (b) Regulation 2(zb) of SEBI Listing Regulations
- (c) Indian Accounting Standard (Ind-AS) 24 as notified by the Central Government.

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the listed entity; 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 01 April, 2023;

in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year, shall deemed to be a related party”.

(a) “Related Party”, as per section 2(76) of the Companies Act, in relation to the Company, are as follows:

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:  
*Provided that nothing in (vi) and (vii) above shall apply to the advice, directions or instructions given in a professional capacity;*
- (viii) any body corporate which is:
  - A. a holding, subsidiary or an associate company of the Company;
  - B. a subsidiary of a holding company to which it is also a subsidiary;
  - C. an investing company or the venturer of the Company*Explanation: An investing company or the venturer of the company means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.*
- (ix) director (other than an independent director) or KMP of the holding company or his relative; or
- (x) such other persons as may be prescribed.

(b) “Related Party” in pursuance of Ind-AS 24, is a person or entity that is related to the entity that is preparing its financial statements (referred to as ‘reporting entity’):

- a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control of the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

**“Related Party Transaction”**, means all transactions between the Company on one hand and one or more Related Party(ies) on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Companies Act, 2013 and/or Regulation 2(1) (zc) of the SEBI Listing Regulations, which is as under:

Transaction involving transfer of resources, services or obligations between:

- (a) the Company 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;
- (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 listed entity or any of its subsidiaries, with effect from April 1, 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:

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

- (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:
  - i. payment of dividend;

- 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.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board

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

- i. they are members of a Hindu Undivided Family;
- ii. they are husband and wife; or
- iii. one person is related to the other in such manner as may be prescribed, which is as follows:
  - (i) Father (including step-father)
  - (ii) 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)

**“Senior Management Personnel”**, for the purpose of this Policy means the CMD/Chief Executive Officer of the Company and his/her direct reportees and members as defined pursuant to Section 178 of the Companies Act, 2013 and Regulation 16 of SEBI Listing Obligation and Disclosure Requirement (LODR) Regulations 2013 including amendments thereof.

**“Significant Influence”** is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

**“Material Modification”** of related party transaction will mean and include any modification to an existing related party transaction having variance in value of contract or transaction by 10% or more of the total value of such contract/ transaction as last approved by the Audit Committee / Board / Shareholders, as the case may be.

#### 4. Identification of Potential Related Party Transactions

- (a) Every Director/KMP shall disclose to the Company Secretary, the names of his / her relatives and the names of the firms / companies / body corporates in which he /she is interested which shall be placed before the board to record the disclosure of their interest. The Company Secretary shall, at the earliest, inform the Finance Department, the details of disclosures made by the Directors / KMP(s) so that the same may be entered into the system to identify RPTs as and when they occur.
- (b) The Company will identify the potential transactions with the related parties. These Related Party Transactions will be categorized as those requiring
  - i) prior approval,
  - ii) omnibus approval based on the criteria laid down in Para 6.2 below, in consultation with the Finance Department.
- (c) The Finance Department will obtain and forward to the Company Secretary, the details of Related Party Transactions to be placed before the Audit Committee / Board duly indicating the appropriate authority for granting approval, namely, Audit Committee / Board of Directors / Shareholders.

#### 5. Ascertainment of RPTs on Arm's Length Basis

Examine the documents / information with regard to the RPT before forming an opinion / arriving at a conclusion that the concerned transaction is on Arm's Length Basis. In particular, any or all of the following may be examined:

- (a) Whether the purported transaction between two related parties pursuant to an agreement / memorandum of understanding is in accordance with the directives / approval of the Government.
- (b) Whether the terms of the transaction are in the ordinary course of business
- (c) How the consideration price has been arrived?
- (d) Whether it is comparable with internal and external industry benchmarks.
- (e) Any other relevant documents / information which supports the contention that the transaction is on arm's length basis.

#### 6. Review and Approval of Related Party Transactions

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

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction specifically mentioned in **Annexure 1**, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

##### 6.1. Considerations for Approval of Related Party Transactions

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:

- i. 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;
- ii. Whether there are any undue compelling business reasons or exigency for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- iii. Whether the Related Party Transaction would affect the independence of the Directors/KMP;





- iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- v. Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company; and
- vi. Compare existing contracts/agreements (if any) and its terms with one or more identical or similar transactions and compare the market terms known for such similar transactions.
- vii. 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, 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.

**OVERALL FRAMEWORK OF APPROVAL FOR RELATED PARTY TRANSACTIONS**

**Approval mechanism of Related Party Transactions**

Nature and Details of Transactions	Approving Authority
All Related Party Transactions and any subsequent material modification, which are in ordinary course of business and on arm's length basis	<ul style="list-style-type: none"><li>• Prior approval of Audit Committee</li><li>• Information to the Board</li><li>• Prior approval of Shareholders by way of resolution if such RPTs are "Material Related Party Transactions"</li></ul>
RPTs which are not in ordinary course of business or not on arm's length basis or both	<ul style="list-style-type: none"><li>• Prior approval of Audit Committee</li><li>• Prior approval by the Board</li><li>• Prior approval of Shareholders by way of resolution if such RPTs are "Material Related Party Transactions"</li></ul>

**Level 1 - Audit Committee Approval**

All Related Party Transactions including subsequent material modifications, if any, shall be normally entered into with the prior approval of the Audit Committee. Such RPTs shall be placed before the Audit Committee, accompanied with the Management's justification for the entering into the same alongwith all relevant information. Before approving such transactions, the Audit Committee will look into the interest of the Company and its stakeholders in carrying out the transactions and the benefits of the same. The Audit Committee may, thereupon, approve, reject or approve subject to modifications, such RPTs, in accordance with this Policy and / or recommend the same to the Board for approval. It is pertinent to note that only those members of the audit committee, who are independent directors, shall approve related party transactions.

Provided further that:

(a) the audit committee of the Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;

(b) 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 listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:

(i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or

(ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations;

(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 listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

(i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or

(ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.;

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee;

(d) prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary 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.

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

(e) 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 approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

(f) 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:

(i) 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;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
  - (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - (iv) 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;
  - (v) 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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.”

#### **Level 2 - Board Approval**

(a) All Related Party Transactions and subsequent material modifications, if any, specified under section 188(1) of the Act shall be subject to prior approval of the Board of Directors through the Audit Committee, by way of resolutions passed at Board Meetings, unless the transactions are entered into:

- (i) in the Ordinary Course of Business; and
- (ii) are conducted on Arm's length basis.

(b) In addition, if the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for the Board to approve the Related Party Transaction, then the Board shall consider and approve such Related Party Transaction(s).

(c) All criteria contained in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 in relation to the contents of the Board agenda for approval of such RPTs must be complied with.

(d) Every Director / KMP of the Company, who 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 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 or exercise influence over any such meeting.

(e) Where any Director / KMP, 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, shall disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he/she becomes so concerned or interested.

(f) Every contract or arrangement entered into with a Related Party under section 188(1) of the Act shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

### **Level 3 – Shareholder’s Approval**

#### **(i) Related Party Transaction:**

All related party transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the Shareholders of the Company

#### **(ii) Material Related Party Transaction(s):**

All material related party transactions and subsequent material modifications as defined by the audit committee under the related party transaction shall require prior approval of the shareholders through 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 prior approval of the shareholders of Company shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

#### **(iii) Transactions other than Material Related Party Transactions:**

All transactions, other than the Material Related Party Transactions, which are not in the ordinary course of business and/or not at Arms’ Length Basis except Related Party Transactions entered between the Company and its wholly owned subsidiaries, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval of shareholders shall require the prior approval of the shareholders on exceeding the following limits and the Related Parties shall not vote to approve the relevant transaction.

- (i) Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company or rupees one hundred crore, whichever is lower;
- (ii) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of the net worth of the Company or rupees one hundred crore, whichever is lower;
- (iii) Leasing of property of any kind amounting to ten percent of the net worth of the Company or ten percent or more of the turnover of the Company or rupees one hundred crore, whichever is lower;
- (iv) Availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company or rupees fifty crore, whichever is lower;

- (v) Appointment of Related Party 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 lakh rupees.
- (vi) Remuneration for underwriting the subscription of any securities or derivatives thereof, exceeding one percent of the net worth of the Company.

The notice being sent to the Shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- (i) A summary of the information provided by the management of the Company to the audit committee
- (ii) Justification for why the proposed transaction is in the interest of the Company;
- (iii) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary
- (iv) A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- (v) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- (vi) Any other information that may be relevant.

## **6.2. Standing Pre-Approval / Omnibus approval by Audit Committee**

In the case of frequent / regular / repetitive transactions which are in the normal/Ordinary course of business of the Company, the Audit Committee may grant standing pre-approval / omnibus approval. While granting such approval, the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company and/or the Related Party Transactions that are repetitive in nature. The omnibus approval shall specify the following:

- (i) Name(s) of the Related Parties,
- (ii) Nature and duration of the transaction,
- (iii) Brief description of the items,
- (iv) Maximum estimated amount of transactions that is expected to be entered into
- (v) the indicative base price or current contracted price and the formula for variation in the price, if any,
- (vi) Basis of Price Determination,
- (vii) Whether at Arm's Length Basis and in the Ordinary Course of Business,
- (viii) any other information relevant or important for the Audit Committee to take a decision on the proposed transactions, keeping in view, the omnibus approval, in aggregate granted so far / utilized during the financial year.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the Related Party Transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs. 1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. The Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

**Transactions which cannot be subject to the omnibus approval by the Audit Committee, such as:**

- (i) Transactions which are non-repetitive in nature
- (ii) Transactions in respect of selling and disposing of the undertaking of the company.
- (iii) Any other statutory restrictions imposed from time to time.

**7. EXCEPTIONS**

Notwithstanding the foregoing, the following Related Party Transactions shall not require specific approval of the Audit Committee:

- (a) No resolution (either Board or shareholders) is required to be passed in respect of a transaction entered into by the Company with Public Sector Companies
- (b) Any transactions entered into between the 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 whose accounts are consolidated with the 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 the Company 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) Any transaction involving the providing of compensation to a Director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, and in line with the terms of Appointment
- (g) 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.

For the removal of doubts, it is clarified that the term ‘holding company’ used in clause (b) of this sub-regulation refers to and shall be deemed to have always referred to a listed holding company.

**8. RECORDS / SUPPORTING DOCUMENTS REQUIRED FOR ESTABLISHING THE ORDINARY COURSE OF BUSINESS AND ARM’S LENGTH BASIS OF A TRANSACTION WITH A RELATED PARTY**

**8.1 Purchase / sale of material, goods etc.**

- (a) Copy of agreements / purchase orders / correspondence exchanged / letters of exchange / bills / invoices etc.
- (b) Invoices / bills of similar transactions on same date or nearby date with un-related parties from the seller.

- (c) Quotation from un-related service provider.
- (d) Sale of Company's finished product / services / others including scrap sale at rates or charges are determined by competitive bids / fixed by Government.
- (e) Purchase of product / availing of services at rates or charges determined by competitive bids.

#### **8.2 Purchase / sale of property**

- (a) Valuation reports from independent valuers to ascertain Fair Market Value.
- (b) Quotations from independent property dealers / brokers.
- (c) Draft copy of agreement to sell / draft of proposed sale deed.
- (d) Brief terms and conditions and justification of such transaction.

#### **8.3 Availing / Rendering Services**

- (a) Copy of agreement / memorandum of understanding / correspondence etc.
- (b) Supporting documents justifying the transaction on arm's length basis.

#### **8.4 Loans / Advances given or taken**

- (a) Compliance of Section 185, 186 and other applicable provisions of the Companies Act, 2013 and rules there under.
- (b) Statutory approvals wherever required.
- (c) Rate of interest and justification for the same in view of nearest prevailing G-SEC rate for the term of the loans / advances (wherever applicable).

#### **8.5 Guarantee / Securities**

- (a) Compliance of Section 185, 186 and other applicable provisions of the Companies Act, 2013 and rules there under.
- (b) Other documents justifying the same.

#### **8.6 Subscription to shares / debentures / securities**

- (a) Valuation report or documents justifying that subscription is done / received at a rate on which placement has been made / shall be made to an unrelated party.

#### **8.7 Rent Agreement**

- (a) Copy of draft agreement.
- (b) Quotation from a property dealer / advisor in the area in which the property is located or a nearby area.
- (c) If quoted prices are substantially lower / higher than existing, to seek second quotation.
- (d) Lease rent receipt / payment at market rate / municipal / local body board standard rate or fixed by any other Government authority

#### **8.8 Other transactions**

- (a) Agreements or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate.

**Note:** The aforesaid Records / Supporting documents are indicative and not exhaustive in nature. The nature of documents/ records varies from transaction to transaction.



## 9. DEVIATIONS

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

## 10. REGISTERS & DISCLOSURES

10.1 The Company Secretary of the Company shall maintain a register, either physically or electronically, as prescribed in the Act, giving details of all contracts or arrangements to which this Policy applies.

10.2. Every Director or Key Managerial Personnel shall, within a period of thirty days of his appointment, or relinquishment of his office in other companies, as the case may be, disclose to the Company, particulars relating to his / her concern or interest in the other associations which are required to be included in the register maintained.

10.3. The Company and its subsidiaries if any, shall disclose in Annual report under Corporate Governance Report section 'Loans and advances' in the nature of loan to firms/ companies in which directors are interested by name and amount.

10.4. The Company shall submit to stock exchanges disclosure of related party transactions such every six months on the date of publication of its standalone and consolidated financial results in the format as specified by the SEBI from time to time and publish the same on its website.

“Provided further 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 under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

10.5. The Company shall disclose the Policy on dealing with Related Party Transactions on its website and provide web link in the Annual Report. In addition to the disclosures required under Accounting Standards, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.



## 11. AMENDMENTS AND UPDATES

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate. In addition to guidelines for ongoing Related Party Transactions, the Audit Committee may, as it deems appropriate and reasonable, establish from time to time guidelines regarding the review of other Related Party Transactions. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The policy shall be reviewed by the board of Directors at least once every three years and updated accordingly.

## 12. INTERPRETATION

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI LODR, Accounting Standards or any other relevant legislation / law applicable to the Company.

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014. In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. Any subsequent amendment/modification in SEBI LODR, Act and/or applicable laws in this regard shall automatically apply to this Policy. This Policy shall be reviewed by the Audit Committee periodically and/or if any changes are to be incorporated in the Policy due to change in regulations as may be deemed appropriate by the Audit Committee.

The policy shall also be uploaded on the website of the Company under <https://group.teamlease.com/investor/policies-and-guidelines/>.

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### **ANNEXURE 1**

#### **INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):**

1. Name of the Related Party and nature of relationship;
2. Nature and duration of the contract/transaction and particulars thereof;
3. Material terms of the contract or arrangement or transaction including the value, if any;
4. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
5. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
6. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
8. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any.
9. Applicable statutory provisions, if any;
10. Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
11. Justification as to the arm's length nature of the proposed transaction;
12. Declaration whether the transaction is in the ordinary course of business;
13. Persons / authority approving the transaction; and
14. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.



**SCHEDULE XII: RELATED PARTY TRANSACTIONS**

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 the following:

Consolidated Turnover of Listed Entity	Threshold
I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.