



TREE HOUSE EDUCATION & ACCESSORIES LIMITED

("the Company")

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POLICY ON RELATED PARTY TRANSACTIONS

Amended on 3rd August, 2023

POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION:

TREE HOUSE EDUCATION & ACCESSORIES LIMITED (the “Company”) recognizes that certain relationships can present potential and actual conflicts of interest and may raise questions about whether transactions associated with such relationships are consistent with the company’s and stakeholders’ best interests.

The Company must specifically ensure that certain related party transactions (as defined below) are managed and disclosed in accordance with the strict legal and accounting requirements to which the Company is subject.

Therefore, Board of Directors (the “Board”) of Tree House Education & Accessories Limited (the “Company”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee shall review and may amend this policy from time to time.

2. APPLICABILITY & EFFECTIVE DATE

This policy shall be applicable to the Company with effect from the date of its approval in the meeting of Board of Directors of the Company to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

3. PURPOSE

The Company is governed, amongst others, by the rules and regulations framed by securities and Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions (“RPT”) and also on dealing with Related Party Transactions.

- A. Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.
- B. The Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Company (“Audit Committee”) shall review the Policy once in three years and may amend the same from time to time.

4. DEFINITIONS

- a) "Act" means the Companies Act, 2013 and Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- b) "Policy" means Policy on Related Party Transaction.
- c) "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the relevant clauses of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act 2013, as may be amended from time to time.
- d) "Board" means the Board of Directors of the Company.
- e) "Company" means Tree House Education & Accessories Limited.
- f) "Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes:
 - (a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time director;
 - (b) Chief Financial Officer; and
 - (c) Company Secretary
- g) "Related Party" shall have the meaning ascribed to such term under Regulation 2(1)(zb) of the Listing Regulations and under sub-section (76) of Section 2 of the Act.
- h) "Related Party transaction" means a transaction as envisaged as a related party transaction under the Act and / or under the Listing Regulations (as amended from time to time);
- i) "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.
- j) "Materiality Threshold" means limits for Related Party Transactions beyond which the shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.
- k) "Material Modification" means any subsequent modification in the original or existing Related Party transaction having variance of 10% of the existing limit or Rs. 100 Crore whichever is higher or any modification of other material terms including non-financial terms like credit period, scope of contract, etc., as sanctioned by the Audit Committee/Board/Shareholders, as the case may be.
- l) "Material Related Party Transaction" shall have the same meaning ascribed to such term under Regulation 23 (1) read with 23 (1A) of the Listing Regulations;
- m) "Ordinary course of business" if transactions satisfy any of the following criteria, such transactions will be generally in the ordinary course of business: I. The memorandum of Association of the Company should cover such transaction; II. There are previous instances of the Company having carried out such transaction; III. These transactions are frequent over a period of time; IV. The transaction should be in furtherance of the business objectives of the Company; V. The transactions, if not frequent, are important to the business objectives of the Company; VI. The transactions are incidental to the industry/ part of standard industry practice or but for which the business would be

adversely affected. This is not exhaustive criteria and the Company should assess each transaction considering its specific type, nature, value and circumstances.

- n) "Related Party" shall have the meaning ascribed to such term under Regulation 2(1) (zb) of the Listing Regulations and under sub-section (76) of Section 2 of the Act.
- o) "Related Party Transaction" means a transaction as envisaged as a related party transaction under the Act and / or under the Listing Regulations (as amended from time to time);
- p) "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.

All terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

5. INTERPRETATION

In case of any dispute or difference upon the meaning/interpretation of any provision in the Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

6. POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

7. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each director and Key Managerial Personnel is responsible for providing Notice to the Board of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of Interest and the Audit Committee shall determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with the policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

8. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Audit Committee:

All related party transaction and subsequent material modifications thereof, shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation and only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

Provided that the members of the Audit Committee, who are independent directors, may ratify related party transactions within 3 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 1 crore;
- ii. the transaction is not material;
- 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 23(9) of the Listing Regulations;
- v. any other condition as specified by the Audit Committee:

Provided further 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 Company against any loss incurred by it.

Also, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary which are repetitive in nature and are in the ordinary course of business and on at Arm's Length basis, subject to compliance of the provision of the Act and Listing Regulations. Details of all such Related Party Transactions entered into by the Company or its subsidiary pursuant to omnibus approval granted by the Audit Committee shall be review at least by the Audit Committee on a quarterly basis

Any member of the Committee who has potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction. To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act and Rules thereunder, and the Listing Regulations with the Stock Exchanges.

Further, any variations against the pre-approved transactions shall also be placed before the Audit Committee for ratification. Related party transactions with the wholly owned subsidiaries are exempted from any approval requirement and would require only periodical reporting, preferably on quarterly basis.

Board:

If the audit committee requires 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 Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Shareholders:

All the material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution and the related party(ies) with whom transaction is to be entered shall abstain from voting on such resolution. All the transactions, other than the material related party transactions, with the related parties which are not in the ordinary course of business or at arm's length basis shall also require the approval of the shareholders through resolution, if so, required under any law and the related parties shall abstain from voting on such resolution.

9. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

Each Director and Key Managerial Personnel is responsible for providing Notice to the Board and the Audit Committee of any potential Related Party Transaction involving him or her or his/her relative, with additional information about the transaction that the Board/Audit Committee may require. The Board/Audit Committee will determine whether the transaction as reported constitute a Related Party Transaction requiring compliance with this Policy.

10. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

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 may examine the facts and circumstances of the case and take any such action it deems appropriate.

11. APPROVAL OF THE BOARD AND THE SHAREHOLDERS

The Audit Committee shall report all “Material Related-Party Transactions” to the Board of Directors. The Company shall also seek shareholders’ approval for “Material Related-Party Transactions” in the subsequent general meeting of the year in which the Related-Party Transaction is undertaken or by postal ballot process. The resolution shall be an ordinary resolution and the related parties (if any) shall abstain from voting on such resolution. In case of transactions which are not in ordinary course of business or not at arm’s length, Board approval will be required.

In case these are material transactions prior approval of shareholders by a resolution will be required as per the requirements of the Companies Act 2013 and such Related Parties shall abstain from voting on such resolution as per the provisions of the applicable law.

The explanatory statement to be annexed to the notice of a general meeting, where an ordinary resolution is to be passed for approving a related party transaction shall contain the following particulars, namely: –

- a) name of the related party ;
- b) name of the director or key managerial personnel who is related, if any; (c) nature of relationship;
- c) nature, material terms, monetary value and particulars of the contract or arrangement;
- d) any other information relevant or important for the members to take a decision on the proposed resolution.

12. DEEMED APPROVAL:

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant competent authority or committee shall be deemed to be approved under this Policy. Such transactions are enumerated below:

- a) Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;
- b) Payment of remuneration, fees, commission, etc., to directors pursuant to the Nomination and Remuneration Committee approval;
- c) Share based incentive plans for the benefits of the Directors or Key Managerial Personnel pursuant to shareholders including ESOPs;
- d) Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split, buy-back of securities or bonus shares approved by the Nomination and Remuneration Committee, if their approval is applicable and/ or Board or any other Board composed committee;
- e) Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.
- f) 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;
- g) retail purchases from any listed entity 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;
- h) Such other transactions which are specifically excluded to be considered as Related Party Transactions as per the applicable law.

13. TRANSACTIONS CONSIDERED UNDER ORDINARY COURSE OF BUSINESS AND ON ARM'S LENGTH BASIS

The phrase "ordinary course of business" is not defined under the Companies Act 2013 or rules made there under. The ordinary course of business shall cover the usual transactions, customs and practices of the company. A variety of factors such as size and volume of transactions, arm's length, frequency, purpose of the transaction, etc shall be considered for making an assessment as to whether a transaction is in the ordinary course of business or not. The explanation to Section 188 of the Act states that the expression "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. However it would be pertinent to note that methodologies and approaches for determining the "Arm's Length Transactions" have not been prescribed in the Act. In the absence of any information/methodology/approach for determining the "Arm's Length Transaction" in the Act, such methodologies/approaches existing under "Indian Transfer Pricing Guidelines" contained in the Income Tax Act, 1961 shall be adopted.

Nothing contained in Section 188 (1) of the Act shall apply to any transactions entered into by the company in its ordinary course of business and arm's length basis. Regulation 23 (2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 states that all related party transactions shall require prior approval of the Audit Committee. As of now, the provisions as specified in Regulations 23 are not mandatorily applicable to our Company since the Company falls within the threshold limits specified under Regulations 15 (2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 but as a matter of good corporate governance, all endeavors shall be undertaken to ensure compliance with the same.

However, Section 92F (ii) of Income Tax Act, 1961 defines the "arm's length price" as a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.

Arm's length basis means the transactions should be independent and is being done on same terms and conditions as if done with some unrelated party. The concept of arm's length transaction ensures that both parties in the transaction are acting in their own self-interest and are not subject to any pressure or compulsion from other party.

14.MATERIAL RELATED PARTY TRANSACTIONS

Material Related Party Transactions will be determined as per the following rules:

Sr. No.	Category of Transactions	Material Related Party Transactions- Companies Act, 2013	Material Related Party Transactions- SEBI
1.	Sale, purchase or supply of any goods or materials, directly or through appointment of agent	Exceeding 10% of turnover or Rs. 100 crore, whichever is lower	If the transaction/
2.	Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent	Exceeding 10% of net worth or Rs. 100 crore, whichever is lower	
3.	Leasing of property of any kind;	Exceeding 10% of net worth or 10% of turnover or Rs. 100 crore, whichever is	

4.	Availing or rendering of any services;	Exceeding 10% of turnover or Rs. 50 crore, whichever is	transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements
5.	Such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate	At a monthly remuneration exceeding Rs 2.5 lakh	
6.	Remuneration for Underwriting the subscription of any securities or derivatives thereof, of the Company	Exceeding 1% of net worth	
7.	Any other transaction	Not applicable	

The limits specified in Sl. No.'s 1 to 4 shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

15. OMNIBUS APPROVAL FROM AUDIT COMMITTEE

All related party transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company subject to the following conditions:-

- 1) The Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- 2) The Committee should satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- 3) Such omnibus approval shall specify:
 - a) Name/s of the Related Party
 - b) Nature of transaction
 - c) Period of transaction
 - d) Maximum amount of transactions that can be entered into
 - e) The indicative base price/ current contracted price and formula for variation in price, if any
 - f) Other conditions which the Committee deems fit.

- 4) Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Committee can give omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction. The Committee will review at least on a quarterly basis, the details of all related party transactions entered into by the Company pursuant to each of the omnibus approval given.
- 5) Such omnibus approvals shall be valid for a period of not exceeding one year and shall require fresh approvals after expiry of one year.

16.RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party 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 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, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

17.GENERAL PRINCIPLES

- It shall be the responsibility of the Board to monitor and manage potential conflicts of interest of management, board members and shareholders including abuse in related party transactions.
- The Independent Directors of the Company shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
- The Audit Committee shall have the following powers with respect to related party transactions:

- a) To seek information from any employee
- b) To obtain outside legal or other professional advice.
- c) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- d) To investigate any related party transaction.
- The Company while entering into this transaction shall ensure that such related party transaction is in the best interest of the Company and adheres to this Policy.

18.DISCLOSURE

Disclosure shall be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report. This Policy shall also be uploaded in the website of Company www.odysseytec.com and a weblink thereto shall be provided in the Annual Report. The Company shall also disclose the details of all material Related Party on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

19.POLICY REVIEW

This Policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

20.POLICY SEVERABLE

This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any

applicable law, statute or regulation, the same shall be severable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.
