



## **T.T. LIMITED**

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### **POLICY ON RELATED PARTY TRANSACTIONS**

#### **1. OBJECTIVE**

This policy is framed for complying with the requirement of the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which provides that every listed company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Further in compliance with SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09 November, 2021 and SEBI Circular dated 22 November, 2021, this policy has been revised by the Board of Directors of the Company in their meeting on 19<sup>th</sup> January, 2022.

#### **2. PREAMBLE**

T T Limited ("the Company") has always been committed to good corporate governance practices. As a matter of practice, the Company follows arm's length basis in transacting business with its related parties which are in the ordinary course of business.

The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions ("the Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules framed there under and Clause 49 of the Equity Listing Agreement with the Stock Exchange.

This Policy applies to transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

#### **3. DEFINITIONS**

- (i) "**Act**" means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- (ii) "**Arm's Length Transaction**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm's Length basis, guidance may be taken from the transfer pricing provisions under the Income-tax Act, 1961.
- (iii) "**Audit Committee or Committee**" means Committee of the Board of Directors of the Company constituted under provisions of Listing Agreement with the Stock Exchanges and Companies Act, 2013.
- (iv) "**Board of Director**" or "**Board**" means the Board of Directors of T T Limited, as constituted from time to time.
- (v) "**Company**" means T T LIMITED.

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- (vi) **"control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
- (vii) **"Key Managerial Personnel"** means Key Managerial Personnel of the Company under the Companies Act, 2013 and includes -
- i. Chief Executive Officer or Manager Director or Manager
  - ii. Company Secretary
  - iii. Whole-time Director
  - iv. Chief Financial Officer
  - v. such other officer, not more than one level below the Director who is in whole-time employment, as designated as Key Managerial Personnel by the Board; and
  - vi) such other officer as may be prescribed.
- (viii) **"Listing Regulations"** shall mean Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof..
- (ix) **"Material Modifications"** means any modifications of such transactions which were approved during the year and will change the complete nature of the transaction and in case of monetary thresholds which is in excess twenty percent of the total monetary value of originally approved transaction.
- (ix) **"Material Related Party Transaction"** means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds rupees Fifty Crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.
- (x) **"Ordinary course of business"** would have the meaning as defined by the Institute of Chartered Accountants of India, Companies Act, 2013, and as per the guidelines and judicial and other pronouncements, as applicable from time to time.
- (xii) **"Policy"** means Related Party Transaction Policy including amendments, if any, from time to time.
- (xiii) **"Related Party"** in relation to the Company, means a Related Party as defined in Section 2(76) of the Act or under Regulation 2(zb) of the Listing Regulations or under the applicable accounting standards. **"Related Party Transaction"** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a Company and a Related Party, regardless of whether a price is charged.
- (xiv) **"Relative"** means, relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if -
- i. They are member 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:
    - (a) Father (including step-father)
    - (b) Mother (including step-mother)
    - (c) Son (including step-son)

- (d) Son's wife
- (e) Daughter
- (f) Daughter's husband
- (g) Brother (including step-brother)
- (h) Sister (including step-sister)

#### 4. **POLICY**

All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Audit Committee based on this Policy.

##### **4.1 Identification of Potential Related Party Transactions**

Each Director and Key Managerial Personnel shall at the beginning of financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding company/ies or their relatives. The Company will identify the potential transactions with the Related Parties

##### **4.2 Review and Approval of Related Party Transactions**

All Related Party Transactions shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Regulations.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

##### **4.3 Approval of the Board of Directors**

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 Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above under Paragraph 4.2.1 shall apply to the review and approval of the matter by the Board of Directors, with such modifications as may be necessary or appropriate under the circumstances.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

#### **4.4 Approval of the Shareholders**

All the Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

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 special resolution if so required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

#### **5. RELATED PARTY TRANSACTIONS NO) PREVIOUSLY APPROVED**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

#### **6. DISCLOSURES**

##### **6.1 Report on Corporate Governance**

Details of all material transactions with Related Parties shall be disclosed quarterly along with the compliance report on corporate governance.

##### **6.2 Annual Report**

The company shall disclose the policy on dealing with Related Party Transactions on its website and also a web-link thereto shall be provided in the Annual Report.

#### **7. AMENDMENTS**

##### **7.1 Amendments in the Policy of Related Party Transactions**

Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

##### **7.2 Amendment in Law**

Any subsequent amendment/ modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.

