

RELATED PARTY TRANSACTIONS–POLICY

INTRODUCTION

The Board of Directors (the ‘Board’) of **TTI Enterprise Ltd.** (the ‘Company’) has adopted this policy and procedures with respect to Related Party Transactions, in compliance with the requirement of Section 188 of the Companies Act, 2013 and Clause 49 of Equity Listing Agreement. The Audit Committee will review and may amend this policy from time to time subject to the approval of the Board. The policy applies to transactions between the company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party transactions including material transactions.

OBJECTIVE

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

DEFINITIONS

- 1) “**Arm’s length basis**” means, a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- 2) “**Related party**” means a person defined as Related Party under Section 2(76) of Companies Act, 2013.
- 3) “**Transaction**” with a related party shall be construed to include single transaction or a group of transactions in a contract or arrangement.
- 4) “**Related Party Transaction**” means transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and would include a transaction specified under Section 188 (1) of the Companies Act, 2013.
- 5) “**Associate**” means a company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements
- 6) “**Audit Committee**” means the Committee of the Board formed under section 177 of the Act and Clause 49(III) of the Listing Agreement. “**Board**” means Board of Directors of the Company
- 7) “**Body Corporate**” means an entity as defined in Section 2(11) of the Companies Act, 2013.
- 8) “**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- 9) “**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director; (ii) Company Secretary; and (iii) Chief Financial Officer.

10) “**Material Related Party Transaction**” means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company. [As per Clause 49(VII)(C) of the Listing Agreement]

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

12) “**Related party**” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Clause 49(VII) (B) of the Listing Agreement.

13) “**Related Party Transaction**” shall mean such transactions as specific under Section 188 of the Act or rules made thereunder and Clause 49(VII)(A) of the Listing Agreement including any amendment or modification thereof, as may be applicable.

14) “**Relative**” with reference to a Director or KMP means persons as defined in Section 2(77) of the Companies Act, 2013 and rules prescribed thereunder.

15) “**Subsidiary**” means a company as defined in Section 2(87) of the Companies Act, 2013

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable law or regulation.

POLICY

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this policy.

Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company.

MATERIAL RELATED PARTY TRANSACTION

Material Related Party Transaction means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual turnover of the Company as per the last audited financial statements of the Company.

Procedure for dealing with Related Party Transactions

- 1) Every Director, Key Managerial Personnel, Functional / Business heads / Chief Financial Officer will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board
- 2) No Related Party Transaction shall be entered into by the Company without the prior approval of the Audit Committee. Any subsequent modification of transactions of the company with related parties will also require prior approval of Audit Committee.
- 3) All cases where the Related Party Transactions are not in the ordinary course of business and/or are not on arm’s length basis but within the prescribed limits as per the Rule 15 of Companies (Meetings on Board & its Powers) Rules, 2014, shall be brought before the Board of Directors for approval through Audit Committee.

- 4) No director who is interested in any such transaction shall be present at the meeting during discussion on the subject matter of the resolution proposed for Board/ Audit Committee Approval.
- 5) All material related party transactions will be placed for approval of the shareholders of the Company. This shall not be applicable for transactions with wholly owned subsidiaries of the Company whose accounts are consolidated with that of the Company.

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

- i) 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.
- ii) 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.

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.

DISCLOSURE & REPORTING

Every Related Party Transaction with proper justification shall be disclosed in the Directors Report. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement/Act or any other statutory enactments or rules, the provisions of Listing Agreement /Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.