



# TOWER INVESTMENT & TRADING CO. LTD.

CIN : U67120WB1981PLC033500

**Registered Office :**

**‘Temple Chambers’ 6, Old Post Office Street, 4<sup>th</sup> Floor, Kolkata-700 001**

**Phone No.: 033 2230-7373/2248-3854 E-mail: [tower\\_investment@yahoo.com](mailto:tower_investment@yahoo.com)**

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## POLICY ON DEALING WITH RELATED PARTY TRANSECTIONS

### 1. PREAMBLE

Based on the recommendation of the Audit Committee the Board of Directors (the “Board”) of the Company has adopted this Policy in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This 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.

### 2. DEFINITIONS:

“**Related Party**” means a person or an entity if:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable Accounting Standards."

“**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.

“**Significant Influence**” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement.

“**Joint Venture**” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Companies Act, 2013.

“**Related Party Transaction**”(“**RPT**”) means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a related party, regardless of whether or not a price is charged, and includes the following transactions, either single or a group of transactions in a contract:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and



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(g) underwriting the subscription of any securities or derivatives thereof, of the company:

**“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.

**“Material Related Party Transaction”** means a transaction with a related party, where in the value of 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.

**“Relative”** shall have the same meaning as assigned to it under section 2(77) of the Companies Act, 2013 and the Rules made thereunder and the SEBI (LODR) regulations, 2015.

### **3. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:**

Each director and Key Managerial Personnel is required to give notice of disclosure of interest under section 184 and 189 of the Companies Act 2013, along with list of relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/individual disclosed by the director/ KMP without requisite approvals. The Board/Audit Committee will determine whether the transaction requires compliance with this policy or not.

### **4. APPROVAL OF RELATED PARTY TRANSACTIONS:**

#### **(a) AUDIT COMMITTEE APPROVAL:**

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 into by the company subject to the following conditions:

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

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.



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## **(b) APPROVAL OF BOARD OF DIRECTORS**

All the Related Party Transactions shall be approved by the Board of Directors of the Company, except the following:

- (i) transactions entered into by the company in its ordinary course of business;
- (ii) transactions which are at an arm's length basis.

## **(c) APPROVAL OF SHAREHOLDERS:**

All the material related party transactions under SEBI (LODR) Regulations, 2015 shall be approved by the Shareholders through a resolution and all entities falling under the definition of "related parties" shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

Further, any transactions not covered above but covered under the section 188 of the Companies Act 2013 shall be approved by the Shareholders through a resolution and the concerned related party(ies) which are related to that transaction shall not vote on such resolution.

## **(d) RELATED PARTY CONTRACTS ENTERED WITHOUT PROPER APPROVAL OF BOARD/SHAREHOLDERS:**

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 3 months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

Without prejudice to the above, it shall be open to the Company to proceed against the Director or any other employee who had entered into such contract or arrangement for recovery of any loss sustained by it as a result of such contract or arrangement.

The Director or any other employee responsible for the violation shall be punishable with imprisonment and fine as prescribed under the Companies Act, 2013.

## **6. REVIEW & MONITORING OF RELATED PARTY TRANSACTIONS:**

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. However, such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.



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## **7. DISCLOSURES/AMENDMENT:**

Related Party transactions shall be disclosed in the Directors' Report as prescribed under the Companies Act, 2013 and the Listing Agreement.

Details of all material related party transactions shall be disclosed quarterly along with the compliance report on Corporate Governance.

The Related Party Transactions Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report too.

## **8. MISCELLANEOUS:**

The other Provision of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time shall be applicable to the Related Party Transactions of the Company.

Further, the right to interpret/amend/modify this Policy vests in the Board of Directors of the Company as may be recommended by the Audit Committee. This Policy will be communicated to all Directors, KMPs, operational employees and other concerned persons of the Company.

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