

POLICY ON RELATED PARTY TRANSACTIONS

1) SCOPE AND PURPOSE OF THE POLICY

Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under.

In light of the above, CTL has framed this Policy on Related Party Transactions (“**Policy**”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out the manner of dealing with the transactions between the Company and its related parties based on the provisions of the Act and any other laws and regulations as may be applicable to the Company.

3) MANNER OF APPROVAL OF RELATED PARTY TRANSACTIONS

a) Procedure for approval of related party transactions

Approval of the Audit Committee

All related party transactions shall require prior approval of the Audit Committee.

Omnibus approval

The Audit Committee may grant omnibus approval for transactions with Related Parties and it has defined the following criteria for the purpose:

The maximum value per transaction shall not exceed Rs. 5 Crore.

The maximum value of all transactions in aggregate shall not exceed Rs 50 Crore.

Following disclosures shall be made while granting omnibus approval:

Name of the related party,

Nature and duration of the transaction,

Maximum amount of transactions that can be entered into,

The indicative base price or current contracted price and the formula for variation in the price, if any; and

Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction. Further, a transaction with a related party shall be considered material if the transaction(s) to be entered during a financial year, exceeds ten percent of the annual turnover of the Company as per the last audited financial statements.

The Committee shall review and assess, on annual basis, the related party transactions entered into by the company, including the limits to ensure that they are in compliance with the policy and criteria specified herein. Further, the omnibus approval cannot be made for transactions in respect of selling or disposing of the undertaking of the company.

d) Approval of the Board of Directors /Shareholders of the Company, as the case may be

Approval of all the transactions from the Board of Directors of the Company and/or shareholders of the Company shall be in accordance with the provisions of the Act read-with Rules made thereunder and all other applicable provisions, for the time being in force.

4) DISCLOSURES

CTL shall disclose, in the Board's report, transactions with related parties in accordance with the provisions of the Act read-with Rules made thereunder and all other applicable provisions, for the time being in force.