



**CAPITAL TRADE**

**LINKS LTD.**

CIN : L519090DL1984PLC019622

***“POLICY ON MATERIALITY OF RELATED  
PARTY TRANSACTIONS”***

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# INTRODUCTION AND BACKGROUND

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Capital Trade Links Limited (the “Company” or “CTL”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its stakeholders best interests.

## SCOPE & INCLUSION

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This policy sets definition of materiality of related party transactions and dealing with related party transactions

## TERMS AND REFERENCES

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### *Materiality of related party transactions*

Contracts/arrangements with a related party shall be considered as “material related party contracts/ arrangements if the transactions to be entered into individually or taken together with previous transactions during a Financial Year under such contracts/ arrangements exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or such sum as may be prescribed under SEBI (Listing Obligation and Disclosure Requirement) 2015 and as amended from time to time.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

## POLICY

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Regulation 23(1) of SEBI (Listing Obligation and Disclosure Requirement) 2015, as amended recently requires a listed company to formulate a policy on Materiality of Related Party Transactions and also on dealing with such Related party Transactions. Accordingly, a policy is hereby framed as under:

1. All Related Party Transactions (RPTs) shall be entered on arms’ length basis.
2. All Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and Regulations 23(1) of SEBI (Listing Obligation and Disclosure Requirement, 2015) will be approved by the Audit Committee of the Board from time to time.

3. Consent of the Board and the Shareholders would be taken in respect of all the RPTs except in the following cases:
  - a) Where the transaction are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the Listing Agreement, as the case may be applicable or
  - b) Where the transactions are entered on to by the company in its ordinary course of Business and are on arms' length basis; or
  - c) Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ten percent of the annual consolidated turnover of the company as per the last audited Financial Statements of the Company.
4. Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules thereunder, and Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirement, 2015) and other applicable provisions for the time being in force.

## **DISCLOSURE**

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The Company shall make the following disclosures:

- a) The particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties shall be made in the Director's Report which forms a part of the Company's Annual Report along with the justification for entering into such contract or arrangement.
- b) This Policy shall also be uploaded on the website of the Company and a web link there to shall be provided in the Annual Report.
- c) The details of all material transactions with related parties shall be disclosed on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Regulation 27(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable.
- d) Quarterly/Periodical update to the Audit Committee on all the related party transactions entered into by the Company.

## **REVIEW**

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The Audit Committee may review this policy from time to time and recommend any changes to the board for approval.

The above policy is subject to change from time to time.