

GTPL HATHWAY LIMITED

RELATED PARTY TRANSACTIONS POLICY

1. Background & Scope

The Board of Directors (the “**Board**”) of GTPL Hathway Limited (the “**Company**” or “**GTPL**”) has pursuant to the meeting of the Board of Directors dated September 28, 2016 adopted the policy on Related Party Transactions (“**RPT Policy**/ “**Policy**”).

The policy has been further amended by the Board pursuant to the resolution of the Board dated February 12, 2019 and January 9, 2020 in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and its subsequent amendments, Companies Act, 2013 (“the Act”) and rules made thereunder from time to time.

The Company recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transaction are consistent with the Company’s and its stakeholders, best interests.

This policy sets policy for dealing with related party transactions including materiality of related party transactions.

2. Definitions

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company under the Regulations.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company.

“**Key Managerial Personnel**” or “**Key Management Personnel**” means Key Managerial Personnel (“KMP”) as defined in Section 2(51) of the Act and the Rules made thereunder which include (i) the Chief Executive Officer or the Managing Director or the Manager (ii) the Company Secretary (“CS”); (iii) the Whole-time Director; and (iv) the Chief Financial Officer and (v) such other officer as may be prescribed.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

“**Material related party transactions**” as per the Act is as defined in *Annexure 1* to this policy.

“**Material related party transactions**” as per the Listing Regulations means a transaction to be entered into with a related party of the Company, if the transaction 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.

Notwithstanding the above, 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 Company as per the last audited financial statements of the Company.

“Ordinary Course of Business” means a transaction which is carried out in the normal course of business envisaged in accordance with the Memorandum and Articles of Association of the Company, or any other applicable factors like market conditions, industry practices etc.

“Policy” means Related Party Transaction Policy.

“Related Party” means a related party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

“Relatives” shall have the meaning ascribed to the term under section 2(77) of the Act and the Rules thereunder.

“Related Party Transaction” (“RPT”) means all the transactions between the Company on one hand and one or more related party/ parties on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act and/ or the Listing Regulations.

3. Identification of Related parties

- The Company shall on annual basis obtain disclosure from each Director and each KMP and other related party/ parties falling within the meaning of Section 2(76), 184 and 189 of the Act and applicable provisions of the Listing Regulations in the prescribed format.
- Directors and KMPs would be responsible for promptly notifying the Company in case of any changes/ updates occurring in the aforesaid declarations given by them.
- Any individual appointed/ elected as a Director or KMP shall be responsible to promptly complete and submit to the Company, the disclosure / declaration referred above.
- The Company shall be informed in advance regarding RPT, which shall be placed before the Audit Committee/ Board for its review and approval, as the case may be.

4. Process for approval of related party transactions

- The Company will identify related party transactions in accordance with Section 188 of Act and Regulation 2(1)(zc) of the Listing Regulations. The Company will determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external expert opinion, if necessary.
- All transactions by the Company with related parties shall require prior approval of the Audit Committee irrespective of its materiality as specified in the Listing Regulations.
- The Audit Committee may grant omnibus approval as per the criteria approved by the Board for Related Party Transactions proposed to be entered into by the Company as stipulated under the Act/Listing Regulations.
- Transactions of following nature will not be subject to omnibus approval of the Audit Committee:
 - I. Transactions which are not repetitive in nature;
 - II. Transactions involving sale or disposal of an undertaking of the Company;
 - III. Transactions involving sale or disposal or assignment of any significant or critical asset of the Company.
- The Audit Committee shall on quarterly basis review the RPT, including the omnibus approvals granted.
- Transactions which are proposed at a variation from the omnibus approval would be placed before the Audit Committee for appropriate action including amending the criterion, the basis of which the omnibus approval or a specific approval was granted.
- All RPTs which are not in Ordinary Course of Business or not at Arm's Length or both or are material in nature (as defined under LODR) will also require prior approval of Board of Directors.
- All Related Party Transactions as per Section 188 of the Act (as set out in Annexure I) and/or Material Related Party Transactions as per the Listing Regulations (as amended from time to time) will also require prior approval of shareholders through a resolution and the related parties shall vote to approve on such resolutions as per the provisions of the Act and / or the Listing Regulations.
- The Policy shall be reviewed by the Board at least once every three years and updated accordingly.

5. Other points:

- Any Director or KMP or any other employee, who had entered into or authorised the contract or arrangement in violation of the Policy and its Framework shall be held accountable for non-compliance and Audit Committee and/or Board may initiate appropriate action against the person(s) responsible.

- A person who has been convicted of an offence under Section 188 of the Act in respect of RPT at any time during the preceding five years prior to the date of proposed appointment, shall not be eligible for appointment as a Director of the Company.
- The Audit Committee of the Company, subject to supervision of the Board, shall be the Competent Authority for investigating and taking appropriate actions / steps for prevention or remedy of any breach and / or defaults in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Act and the Listing Regulations.
- In the event the Company becomes aware of any Related Party Transaction that has not been approved or ratified under this Policy by the Committee/ Board, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification. The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances in respect of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction.
- Where any contract or arrangement is entered into by a director or any other employee of the Company, without obtaining the consent of the Board or approval by a resolution in the general meeting under Section 188(1) of the Act and if it is not ratified by the Board or shareholders, as the case may be, within three months from the date of such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or the shareholders as the case may be.

6. Limitation and Amendment

Any or all provisions of the Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. Disclosures & Reporting

- This Policy shall be disclosed on the website of the Company and a web link to the policy shall be provided in the Annual Report.
- The details of Related Party Transactions shall be disclosed in the Annual report of the Company, the Stock Exchanges and other regulatory bodies as per the provisions of applicable accounting standards, the Companies Act 2013, Listing Regulations or any other applicable laws and regulations.

Annexure 1 – Material related party transaction

Sl. No.	Prescribed Transaction Category	Companies Act, 2013
1	Sale, purchase or supply of any goods or materials directly or through agents	Transactions exceeding 10% of company's annual turnover*
2	Selling or otherwise disposing off, or buying, property of any kind directly or through agents	Transactions exceeding 10% of company's net worth*
3	Leasing of property of any kind	Transactions exceeding 10% of company's net worth*
4	Availing of or rendering any services directly or by appointing agents	Transactions exceeding 10% of company's net worth*
5	Related party's appointment to any office or place of profit in the Company or its subsidiary company or associate company	Monthly remuneration exceeding INR 0.25 million (per month)
6	Underwriting the subscription of any securities or derivatives thereof of the company	Transactions exceeding 1% of Company's net worth*
7	Any other related party transaction	N.A.

* The Turnover or Net worth referred above shall be computed on the basis of the Audited Financial Statements of the preceding financial year.

Note: Limit Specified above shall apply to transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.