

GTPL HATHWAY LIMITED

RELATED PARTY TRANSACTIONS POLICY

Applies to	GTPL Hathway Limited
Issue/ Release Date	September 28, 2016
1st Modified Date	Effective February 12, 2019
2nd Modified Date	Effective January 9, 2020
3rd Modified Dates	Effective March 28, 2022
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Issuing Authority	Board of Directors of the Company
Content Owner	Secretarial

1. **Background & Scope**

The Board of Directors (the "**Board**") of GTPL Hathway Limited (the "**Company**" or "**GTPL**") 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 a policy for dealing with related party transactions including materiality of related party transactions.

2. **Definitions**

"**Act**" shall mean the Companies Act, 2013 read with the Rules thereto, as amended from time to time.

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

"Material modifications" - In relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, "material modifications" means any variation which either changes the nature of the approved transaction or has an impact on the monetary limits exceeding 20% of approved transactions or Rs. 20 crore whichever is lower, over and above the approved limits, only in case of exigencies.

"Material related party transactions" means

- A transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company whichever is lower as per the last audited financial statements of the Company.
- A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction 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 statement of the Company.

as defined under Regulation 23 of the Listing Regulations and the contracts or arrangements as defined under Section 188 of the Act read with Rules framed thereunder.

Provided that in case of any amendment(s) in the Act or Listing Regulations, definition of Material Related Party Transactions will be deemed to be changed without any further approval of Audit Committee or Board.

"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 party as defined in Section 2(76) of the Act read with relevant Rules thereto and Regulation 2 (1) (zb) of the Listing Regulations.

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

"Related Party Transaction" ('RPI') means transactions as given under clause (a) to (g) of Section 188 (1) of the Act and the relevant Rules thereto and as defined Regulation 2(1) (zc) of the Listing Regulations, as may be amended from time to time.

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, applicable provisions of the Listing Regulations as amended from time to time 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 on annual basis at the beginning of the financial year finalise the list of related parties in line with the requirement of the Act, Listing Regulations as amended from time to time and the same shall be reviewed and updated on the monthly/ quarterly basis.
- ▶ The Company shall be informed in advance regarding RPT, which shall be placed before the Audit Committee/ Board/ Shareholders 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 related party transactions and subsequent material modifications as per the Act and Listing Regulations as amended from time to time shall require prior approval of the Audit Committee.
- ▶ 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 or 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 review the RPT in accordance with the Act/ the Listing Regulations, as amended from time to time.
- ▶ 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 under Section 188 of the Act which are not in Ordinary Course of Business or not at Arm's Length or both shall also require prior approval of Board of Directors and shareholders, as applicable.

All material Related Party Transactions and subsequent material modification as required under the Listing Regulations (as amended from time to time) shall require prior approval of shareholders.

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.
- ▶ 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.
- ▶ The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
 - i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore.
 - ii. the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation 23 of Listing Regulations.
 - iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification.
 - iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation 23 of Listing Regulations.
 - v. any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee.

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. Disclosure & 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 and shall be submitted, in the prescribed format to the Stock Exchanges as per the provisions of applicable accounting standards, the Act and Listing Regulations.

8. Review

- ▶ This Policy shall be reviewed by the Board at least once every three years and updated accordingly.
