



## RELATED PARTY TRANSACTIONS POLICY

### 1. PREAMBLE

The Board of Directors (the “Board”) of GTL Infrastructure Limited (the “Company” or “GIL”), has adopted this policy and procedures upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges in India. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

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. OBJECTIVE

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

### 3. DEFINITIONS

- 3.1. “**Act**” means the Companies Act, 2013 including any amendment or modification thereof.
- 3.2. “**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.
- 3.3. “**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013 to oversee its Roles and Responsibilities.
- 3.4. “**Board**” means Board of Directors of the Company.
- 3.5. “**Key Managerial Personnel**” means the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed there under.



- 3.6. **“Material Related Party Transactions”** means a transactions as defined as material in Clause 49(VII)(C) of the Listing Agreement or any other law or regulation including any amendment or modification thereof, as may be applicable.
- 3.7. **“Policy”** means Related Party Transaction Policy, as amended from time to time.
- 3.8. **“Related Party”** in relation to the Company means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Clause 49(VII)(B) of the Listing Agreement.
- 3.9. **“Related Party Transactions”** means such transactions as specified under Section 188 of the Act or rules made there under or Clause 49(VII)(A) of the Listing Agreement including any amendment or modification thereof, as may be applicable.
- 3.10. **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed there under.
- 3.11. The terms **Director, Chief Financial Officer, Company Secretary**, shall have the same meaning as assigned under the Companies Act, 2013.

#### 4. POLICY

The Audit Committee shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the ordinary course of business of the Company, the Committee may grant standing pre –approval / omnibus approval, details whereof are given in a separate Section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

##### 4.1. Identification of Potential Related Party Transactions:

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;



4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of –

1. All Directors and Key Managerial Personnel;
2. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
3. The Company's holding company, subsidiary companies and associate companies;
4. Subsidiaries of holding company;
5. Director or Key Managerial Personnel of the holding company or their Relatives; and
6. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement or the relevant Accounting Standard.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer. The functional / business heads / Chief Financial Officer / Company Secretary shall have access to the updated database.

Every Director, Key Managerial Personnel, Functional / Business heads, Chief Financial Officer will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in Annexure 2 to this Policy.



The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee.

#### **4.2. Review and Approval of Related Party Transactions:**

All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode. A member of the Committee who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

##### **4.2.1. Consideration By the Committee in approving the proposed transactions:**

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

Prior to the approval, the Committee shall, *inter-alia*, consider the following factors to the extent relevant to the transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Directors' interest, Key Managerial Personnel's or other Related Party's interest in the



transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant; and

- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

#### **4.2.2. Approval by circular resolution of the Committee:**

In the event the Company Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

#### **4.2.3. Approval of the Board:**

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

#### **4.2.4. Standing Pre-approval / Omnibus approval by the Committee:**

In the case of frequent / regular / repetitive transactions which are in the ordinary course of business of the Company, the Committee may grant standing pre-approval / omnibus approval. The Chief Financial Officer shall prepare the details of frequent / regular / repetitive Related Party Transactions providing the name of RPT, nature, value & period of



transaction and confirmation to the effect that these transactions are in the ordinary course of business and on an arm's length basis. Such details shall be placed before the Audit Committee for considering omnibus approval, provided however that, each RPT for which omnibus approval is sought, shall not exceed 10% of the total value of that particular head under which such cost or income would be accounted for in one financial year. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- the name/s of the related party,
- nature of transactions,
- period of transaction,
- maximum amount of transaction that can be entered into,
- the indicative base price / current contracted price and the formula for variation in the price, if any, and
- such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen and all aforesaid details are not available, Audit Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transactions shall be reported at the next meeting of the Audit Committee for ratification. Further, the Committee shall on a quarterly basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

#### **4.2.5. Approval of material Related Party Transactions:**

All Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.

The Chief Financial Officer shall prepare the details of all Material Related Party Transactions and shall place it before the Board of Directors for obtaining necessary approval of shareholders.



The provisions in respect of omnibus approval and material related party transactions shall not be applicable for the transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the General Meeting for approval.

**4.2.6. Transactions not in the ordinary course of business or not at arms' length:**

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require the prior approval of Board as well as the approval of shareholders through special resolution and the Related Parties shall abstain from voting on such resolution.

**4.2.7. Related Party Transactions not approved under this Policy:**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, 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 respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.

**4.3. Disclosure and Reporting of Related Party Transactions:**

The Company will also disclose the details of all material Related Party on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Clause 49 of the Listing Agreement. This Policy will also be updated in the website of the Company and a web link thereto shall be provided in the Annual Report.

Disclosures will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts / arrangements with the Related Parties as part of Directors' Report, as may be applicable in terms of Section 188 of the Act.

**5. SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the



provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

## **6. SCOPE LIMITATION**

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company.



**ANNEXURE 1**

**Notice of interest by director**

**The Board of Directors,  
GTL Infrastructure Limited**  
Navi Mumbai

Dear Sir(s),

- A. I, ....., son/daughter/spouse of ....., resident of ....., holding ..... Shares (equity or preference) of Rs. 10/- each (..... percent of the paid-up Capital) in the Company in my name, being a ..... in the Company, hereby give notice of my interest or concern in the following company or companies, body corporate, firms or other association of individuals:-

SI No.	Names of the Companies/ bodies corporate/ firms/ association of individuals	Nature of interest or concern/ change in interest or concern	Shareholding	Date on which interest or concern arose/ changed

- B. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with my advice, directions or instructions:

Sr. No.	Name of the Body Corporate

- C. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity):

Sr. No.	Name of the person	Relation

Place:  
Dated

Signature:  
Name:  
Designation:





**SCHEDULE**  
List of Relatives

No.	Relationship	Full Name	Address	Shareholding in GTL Infrastructure Limited
1.	Spouse			
2.	Members of HUF			
3.	Father (including Step-Father)			
4.	Mother (including Step-Mother)			
5.	Son (including Step-son)			
6.	Son's wife			
7.	Daughter			
8.	Daughter's Husband			
9.	Brother (Including Step-Brother)			
10.	Sister (Including Step-Sister)			



## ANNEXURE 2

### **Information to be provided to the Audit Committee / Board in relation to the proposed Related Party Transaction (to the extent relevant to the transaction):**

1. Name of the Related Party and nature of relationship;
2. Nature and duration of the contract/transaction and particulars thereof;
3. Material terms of the contract or arrangement or transaction including the value, if any;
4. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
5. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
6. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any.
8. Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
9. Justification as to the arm's length nature of the proposed transaction;
10. Declaration whether the transaction is in the ordinary course of business; and
11. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.