

TGB BANQUETS AND HOTELS LIMITED

RELATED PARTY TRANSACTION POLICY

(Modified w.r.t. the Sixth Amendment to the SEBI LODR Regulations dated 9th November, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021).

(This Policy is lastly amended as per the recommendations of the Audit Committee meeting held on 13th day of August, 2022 and approved by the Board of Directors at its meeting held on 13th day of August, 2022.)

1. Preamble

This policy is adopted by the Board with the objective of ensuring compliance with the provisions pertaining to **Related Party Transactions** (RPT) in the Companies Act, 2013 (“**Act**”) read with the Rules framed there under and **the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**.

Accordingly, RPTs may be entered into by the Company only in accordance with this Policy (includes Framework) as amended from time to time.

This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“**SEBI LODR**”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

3. Definitions

- a. “**Act**” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- b. “**Arms’ length Transaction**”, means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- c. “**Audit Committee**” shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of SEBI LODR and Companies Act, 2013 as amended from time to time.
- d. “**Board**” refers to Board of Directors of TGB Banquets and Hotels Limited, as constituted from time to time.

- e. "Company" or "TGBBHL" refers to TGB Banquets and Hotels Limited pursuant to this policy, having its Registered Office at "The Grand Bhagwati", Plot No. 380, S. G. Road, Bodakdev, Ahmedabad- 380054.
- f. "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be amended from time to time.
- g. **"Material Related Party Transaction"** in terms of SEBI LODR means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:
 - I. In case of any other transaction(s), if the amount exceeds Rs 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, [whichever is lower].
 - II. In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- h. **"Related Party"** means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder or under the applicable accounting standards and including following shall also be treated as the Related Party.
 - I. all persons or entities forming part of promoter or promoter group irrespective of their shareholding;
 - II. any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year:
 - a) to the extent of 20 % or more
 - b) to the extent of 10% or more w.e.f. April 1, 2023
- i. **"Related Party Transaction" ("RPY")** means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged and The RPT shall include transactions between-
 - I. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
 - II. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries w.e.f. April 1, 2023.
- j. **"Rules"** means Companies (Meetings of Board and its Powers) Rules, 2014 including any modifications or amendments thereof).
- k. **"Transaction"** with a Related Party shall be construed to include single transaction or a group of transactions entered into under a single contract.

- I. **“Associate Company”** means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company.

Explanation: For the purposes of this definition:

- I. the expression "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement;
- II. the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

m. Material Modification

Material Modification Typically in a commercial contract, variations in significant terms such as terms of delivery, credit period, extension of the warranty period and the like could be bracketed as being material modifications

Words, terms and expressions used and not defined in these rules or Listing Agreement but defined in the Act shall have the same meaning respectively assigned to them in the Act.

4. Disclosures

- The Company is required to disclose the details of all material transactions with related parties on a quarterly basis along with the compliance report on corporate governance.
- The particulars of contracts or arrangements with related parties referred to in Section 188(1) in the prescribed form in the Board’s report.
- The Company shall also have to disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report (by way of a web link).
- The Company shall submit enhanced disclosure of information related to RPTs to be provided to the stock exchanges every six months in the format specified by the SEBI with the following timelines:
 - within 15 days from the date of publication of financials
 - simultaneously with the financials w.e.f. April 1, 2023 and also publish the same on its website

5. Policy for dealing with Related Party Transactions

Identification of Related Party Transactions

Every director shall at the beginning of the financial year provide information by way of written notice to the company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the

information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel in the manner prescribed in the Companies Act, 2013 and the rules thereunder and SEBI LODR as amended from time to time.

Review and Approvals of Related Party Transactions

- i)** Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee. Members of the audit committee, who are independent directors, shall only approve related party transactions.
- ii)** Audit Committee may grant omnibus approval for those related party transactions which are repetitive in nature subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.
- iii)** The Audit Committee shall lay down the criteria for granting the omnibus approval. Such omnibus approval shall specify: i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, ii) the indicative base price / current contracted price and the formula for variation in the price if any and iii) such other condition as the Audit Committee may deem fit. And Such approval shall be valid for 1 year and fresh approval shall be required after the expiry of one year. The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company
- iv)** For those transactions which cannot be foreseen, Audit Committee can also grant omnibus approval subject to their value not exceeding Rs. 1 crore per transaction.
- v)** On quarterly basis the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given shall be placed before the Committee for its review.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its approval.

- vi)** Prior approval of the Audit committee shall be required for
 - a) All RPTs and subsequent Material Modifications
 - b) RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company, as per the last audited financial statements of the Company:
 - c) with effect from April 1, 2023, a related party transaction to which the Company's subsidiary is a party but the Company is not a party, if the value of such transaction

whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of such subsidiary.

Provided that prior approval of the audit committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

- vii)** Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.
- viii)** To review a Related Party Transaction, the Committee shall be provided with the necessary information [(as prescribed under the Companies Act, 2013 and/or the SEBI Listing Regulations, from time to time)], to the extent relevant, with respect to actual or potential Related Party Transactions.
- ix)** All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.
- x)** All related party transactions which are not in the ordinary course of business or not at the arm's length price **and** are exceeding threshold limits prescribed in the Act shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.
- xi)** All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Provided that prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.
- xii)** Material Related Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

However, in case the requirement of obtaining the said approvals arise because of compliance of Section 188, the Company shall be required to obtain the same.

- xiii)** If the Audit 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 considerations set forth in this policy shall apply to the Board's review/approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

- xiv) All Entities falling under the definition of related parties are required to abstain from voting irrespective of whether the entity is a party to a particular transaction or not.
- xv) To review and approve a Related Party Transaction, the Committee/Board/members shall be provided with the necessary information as prescribed under the Companies Act, 2013 and/or the SEBI Listing Regulations, from time to time]], to the extent relevant, with respect to actual or potential Related Party Transactions.

The Audit Committee may call for such additional information as may be required for granting approval to such Transactions. In respect of Transactions which are repetitive in nature, the Audit Committee may, after satisfying itself as to the need for granting such approval, provide an omnibus approval for each transaction with Related Party within which the transactions with the Related Parties should be executed during the year.

Related Party Transaction Not Approved under this RPT Policy

In the event any Transaction has been undertaken / is being undertaken with a Related Party without obtaining requisite approval under this RPT policy, such transactions should be immediately reported to the Company Secretary. Such Transactions shall be reviewed by the Audit Committee in the next meeting. The Audit Committee shall be provided with all the relevant facts and circumstances for entering into such transaction with a related party. Based on the information provided, the Audit Committee shall evaluate and take such necessary steps, as it may deem fit, including Ratification, Termination or Revision of any terms of the Related Party Transaction. The Audit Committee shall keep the Board apprised of any instances of such transactions entered into with any related party in contravention of this RPT policy and recommend to Board for its approval.

Transactions which do not require approval

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party likely:

- the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - a) payment of dividend
 - b) subdivision or consolidation of securities;
 - c) issuance of securities by way of a rights issue or a bonus issue; and
 - d) buy-back of securities

6. Amendments/Review to this Policy

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations (“the Regulations”) which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations and this policy shall be reviewed by the board of directors at least once every three years and updated accordingly