



POLICY ON RELATED PARTY TRANSACTIONS

(Applicable with effect from 1st April, 2022)

1. The Company shall not enter into any contract or arrangement with its related party without the prior approval of the Audit Committee.
2. The Audit Committee shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for making omnibus approval for related party transactions, which shall include the following:
 - i. Maximum value of related party transactions, in aggregate, which can be allowed under the omnibus approval mechanism;
 - ii. Maximum value per related party transaction which can be allowed;
 - iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv. Review, at such intervals as the Audit Committee may deem fit, of related party transactions entered into pursuant to each of the omnibus approval made;
 - v. Related party transactions which cannot be covered under the omnibus approval mechanism.
3. Based on the aforementioned criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for related party transactions that are repetitive in nature.

The Audit Committee may also, grant omnibus approval for related party transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.

4. While assessing a proposal for approval under the omnibus mechanism, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company.
5. Transactions of the following nature shall be outside the purview of the omnibus approval mechanism:
 - i. Transactions which are not in the ordinary course of business or not at arm's length.



- ii. Transactions which are not repetitive or unforeseen in nature.
 - iii. Transactions exceeding the threshold limits specified for omnibus approval.
 - iv. Inter-corporate loans given / taken, to / from related parties and purchase / sale of investments from / to related parties.
 - v. Transactions in respect of sale or disposal of undertaking.
 - vi. Any other transaction as may be specified by the Audit Committee.
6. Such omnibus approval referred to in (2) and (3) above shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
 7. The Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into, pursuant to each of the omnibus approval given.
 8. In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board or the shareholders, as applicable, for such contract or arrangement.
 9. All material related party transactions shall be placed for approval of the shareholders of the Company.

A transaction with a related party will be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds Rs. 1000 crores or ten percent of the annual turnover (or such other limit as may be specified under the applicable laws / regulations, as the case may be) as per the last audited financial statements of the Company, whichever is lower.

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 to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds two percent of the annual turnover as per the last audited financial statements of the Company.

10. All subsequent modifications to the related party transactions of the Company shall require approval of the Audit Committee. Further, material modifications to the



related party transactions of the Company shall require prior approval of the Audit Committee and shareholders.

Material modification(s), for this purpose, are those modifications that result in an increase of more than Rs. 5 Lakhs or twenty five percent of the amount approved by the Audit Committee, whichever is higher.

11. Related party transactions that are required to be approved by the Board and / or any other Board Committee shall not require separate approval of the Audit Committee, such as transactions relating to appointment and remuneration of Directors and Key Managerial Personnel, CSR spends by the Company etc.

Further, the following shall not require separate approval of the Audit Committee under this Policy:

- a. issue of securities on a preferential basis subject to compliance with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. corporate actions which are uniformly applicable / offered to all shareholders in proportion to their shareholding:
 - i. payment of Dividend (including Interim Dividend);
 - ii. sub-division or consolidation of securities;
 - iii. issuance of securities by way of rights issue or bonus issue;
 - iv. buyback of securities; and
 - v. such other transactions as may be prescribed under the applicable laws / regulations.
12. With effect from 1st April, 2023, the approval requirements mentioned hereinabove shall also apply to those transactions undertaken by the Company on the 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.
 13. Disclosures in respect of related party transactions will be made in accordance with the applicable laws / regulations.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.



This Policy will be reviewed every three years and will be posted on the Company's website www.gujarathotelsltd.in and web link thereto will be disclosed in the Annual Report of the Company.

This Policy was approved by the Board on 26th April, 2022 and last amended on 30th January, 2019