

POLICY ON RELATED PARTY TRANSACTIONS

***Adopted on September 4, 2024**

***Revised on August 23, 2025**



1. **INTRODUCTION**

The Board of Directors (the "Board") of Grand Continent Hotels Limited (the "Company") has adopted this policy and procedures with regard to Related Party Transactions (hereinafter referred as "RPT") that the Company may enter into from time to time, in compliance with the requirements of Section 177 and Section 188 of the Companies Act, 2013 (the "Act") read with the Rules framed there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), including any statutory modification(s) or re-enactment thereunder.

Further, as per Regulation 23(1) of the SEBI (LODR) Regulations, 2015 as amended from time to time requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In light of the above, the Company has framed this Policy on Related Party Transactions ("Policy").

2. **OBJECTIVE:**

- i. 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;
- ii. 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.
- iii. To ensure high standards of Corporate Governance while dealing with related parties.;

3. **DEFINITION:**

- i. **"Audit Committee" or "Committee"** means the Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013 or SEBI (LODR) Regulations, 2015 as amended from time to time as and when applicable.
- ii. **"Act"** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars, notifications, orders to remove difficulties or re-enactments thereof.
- iii. **"Arm's Length Transaction"** means transaction occurred between related parties that is conducted as if they were unrelated, ensuring no conflict of interest.

The Company shall determine internally, or mutually decide with the Board of Directors, whether a transaction qualifies as being conducted on an arm's length basis.
- iv. **"Board"** means Board of Directors of the Company.
- v. **"Company"** means Grand Continent Hotels Limited.
- vi. **"Key Managerial Personnel" or "KMPs"** means key managerial personnel as appointed by the Board in accordance with Act.
- vii. **"Material Modification"** any subsequent modification to related party transaction with a related party shall be considered material, if the value of such modification individually or taken together with modifications during a financial year, exceeds 20% (Twenty) per cent (or as may be amended from time to time) of the value of transaction which is proposed to be modified.
- viii. **"Material Related Party Transaction"** means a transaction with a related party if the transaction(s) as defined under SEBI (LODR) Regulations, 2015 as amended from time to time.
- ix. **"Ordinary Course of Business"** means usual transactions:
 - ✓ undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association.

OR

- ✓ Meets any other parameters or criteria as decided by the Audit Committee/Board in accordance with the statutory requirements and other industry practices and guidelines;



x. "**Policy**" means this Related Party Transaction Policy.

xi. "**Related Party**" has the meaning assigned to such term under the Companies Act, 2013, Rules framed thereunder read with SEBI (LODR) Regulations, 2015 as amended from time to time and applicable Accounting Standard(s) as may be in force from time-to-time.

xii. "**Related Party Transaction (RPT)**" has the meaning assigned to such term under the Companies Act, 2013, Rules framed thereunder read with the SEBI (LODR) Regulations, 2015 as amended from time to time and applicable Accounting Standard(s) as may be in force from time-to-time.

xiii. "**Relative**" means relative as defined under Section 2(77) of the Companies Act, 2013 and the rules framed thereunder read with the SEBI (LODR) Regulations, 2015 as amended from time to time as may be in force from time-to-time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 as amended from time to time including amendments thereof, Indian Accounting Standards;

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

4.1 IDENTIFICATION OF RELATED PARTIES

- I. The Company shall identify Related Parties (including those of its subsidiaries), as per requirement of Companies Act, 2013 and SEBI LODR and keep the related party list updated from time to time;
- II. The Company shall at all times maintain a database of Company's Related Parties containing the names of individuals and Companies in accordance with this Policy, along with their personal/company details including any revisions therein.
- III. Functional departmental heads shall submit to the Company Secretary the details of proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis and in ordinary course of business at prevailing market rate.
- IV. Based on this note, the Company Secretary shall appropriately take up for necessary prior approvals from the Audit Committee at its next meeting and convey back the decision to the originator.
- V. Each director/Key Managerial Personnel shall be responsible for providing written notice to the Company Secretary of any potential RPT involving him or her or his or her Relatives, including any additional information about the transaction that the Company Secretary may reasonably request. The Company Secretary shall, in consultation with other members of senior management and with the Audit Committee, as appropriate, determine whether the transaction does, in fact, constitute a RPT requiring compliance with this Policy.
- VI. Where any director/ Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he or she shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he or she becomes concerned or interested or at the first meeting of Board held after he or she becomes so concerned or interested.
- VII. A contract or arrangement entered into by the Company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- VIII. The Company strongly prefers to receive such notice of any potential RPT well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and to refer it to the appropriate approval authority. Ratification of RPT after its commencement or even its completion may be appropriate in some circumstances.

4.2 STANDARDS FOR REVIEW

- I. RPT reviewed under this Policy will be considered approved or ratified if it is authorized by the Audit Committee or the Board or the shareholders in the General Meeting, as applicable, in accordance with the standards set-forth in this Policy after full disclosure of the Related Party's interests in the transaction.



As appropriate for the circumstances, the Audit Committee or Board, as applicable, shall review and consider:

- The Related Party's interest in the RPT;
- The amount involved in the RPT;
- Whether the RPT was undertaken in the ordinary course of business of the Company;
- Whether the transaction with the Related Party is proposed to be, or was, entered on an arms' length basis;
- The purpose of and the potential benefits to the Company from the RPT;
- Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transaction, if any;
- Whether the RPT includes any potential reputational risk issues that may arise as a result of or in connection with the RPT.
- Whether the Company was notified about the RPT before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company and required public disclosure, if any;
- Any other information regarding the RPT or the Related Party in the context of the proposed transaction that would be material to the Audit Committee / Board/ shareholders, as applicable in light of the circumstances of the particular Transaction.

II. The Audit Committee/Board will review all relevant information available to it about the RPT. The Independent Directors of Audit Committee or the Board, as applicable, may approve or ratify or recommend to the shareholders, the RPT only if the Audit Committee and/ or the Board, as applicable, determine that, under all of the circumstances, the transaction is fair and reasonable to the Company.

4.3 PROCEDURES FOR APPROVAL OF RELATED PARTY TRANSACTIONS

4.3.1 AUDIT COMMITTEE:

- All RPTs and subsequent material modification(s) to RPTs shall be subject to prior approval of the Committee, whether at a meeting or by way of a resolution by circulation or through electronic mode.
- A member of the Committee who has a potential interest in any RPTs or subsequent material modification(s) to RTPs will not remain present at the meeting or will abstain from discussion and voting on such RPT and shall not be counted in determining the presence of a quorum when such transaction is considered.
- Prior approval of the Audit Committee shall not be required for:
 - i Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI (LODR) Regulations, 2015 **as amended from time to time** & applicable to such listed subsidiary.
 - ii Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
 - iii 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.



- iv transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
 - v remuneration and sitting fees paid by listed entity or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.
- All RPTs and / or subsequent material modification(s) to RPTs shall be approved only by the Independent Directors who are the members of the Committee.
 - The members of the Committee, who are Independent Directors, may ratify RPTs as per the provisions of the Listing Regulations, as may be applicable and amended from time to time.
 - While considering the RPTs, the Audit Committee shall be provided with all the prescribed information / details, as may be applicable, as prescribed by the ISF vide its industry standards.
 - If the RPTs are in repetitive in nature, the Audit Committee may grant omnibus approval in line with this policy.
 - The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
 - The omnibus approval shall specify:
 - the name/s of the related party, nature of transaction, 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;
 - Any other information as shall be presented to / to be considered by the Audit Committee as may be prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.; and
 - such other conditions as the Audit Committee may deem fit.
 - Thereafter, the Audit Committee, shall review at such intervals, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
 - The omnibus approval shall be valid for a period not exceeding one (1) year and shall require fresh approval after the expiry of one (1) year.
 - The threshold limits for approval of RPTs by Audit Committee or the Board or shareholders in General Meeting, shall be as prescribed from time-to-time under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 **as amended from time to time** Such limits shall stand automatically modified/ amended as and when such limits are amended under the Act or the SEBI (LODR) Regulations, 2015 **as amended from time to time** and shall accordingly be deemed to be incorporated in this Policy by reference.
 - Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy, in case any difficulty or doubt arises in the interpretation of this Policy, the decision of the Chairperson of the Audit Committee shall be final.

4.3.2 APPROVAL OF BOARD:

- If the Committee determines that RPTs 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 RPTs, then the Board shall consider and approve the RPTs 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.

- Approval of Board will be required, at a meeting, for any transaction with Related Parties, which are either not in ordinary course of business or not on an arm's length basis.

4.3.3 APPROVAL OF SHAREHOLDERS:

- If a related party transaction is (i) a material transaction, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Act and the Rules made thereunder (as amended from time to time), it shall require shareholders' approval by a resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.
- Prior approval of the shareholders of the Company shall not be required for RPTs to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations are applicable to such listed subsidiary.

Explanation: For RPTs of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

5. DISCLOSURES & REGISTERS

- i. The Company shall disclose the RPTs as shall be prescribed under the CA Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended from time to time including but not limited to disclosure in the Company's Board's Report to shareholders of the Company and to the Stock Exchanges .
- ii. The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of Directors.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY :

In the event the Company becomes aware of any Related Party Transaction (RPT) that has not been approved or ratified in accordance with this Policy, whether prior to or after its consummation, the matter shall be promptly placed before the Audit Committee for review. The Audit Committee shall consider all relevant facts and circumstances, including the nature of the transaction, the reasons for non-compliance, the impact on the Company, and any failure in internal control systems or reporting mechanisms.

Upon such review, the Audit Committee may evaluate all options available to the Company, including but not limited to ratification, revision, discontinuation, or termination of the transaction. The Committee may also recommend remedial measures such as seeking Shareholders' approval, payment of compensation to the related party for any loss incurred, or initiating actions to strengthen internal controls and compliance mechanisms.

If the Audit Committee determines not to ratify the transaction, it may direct appropriate corrective action, which could include discontinuation of the transaction or other measures as deemed necessary. In connection with any review or approval of an RPT, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy if considered in the best interest of the Company.

7. REVIEW AND AMENDMENTS:

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy. Any change in regulatory provisions, rules, and regulations from time to time, the amended provisions shall



prevail upon the corresponding provision of this policy from the effective date of such changes in the provisions.
The Board of Directors shall review the policy at least once every 3 (Three) years and update accordingly.

