

TGB BANQUETS AND HOTELS LIMITED

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the “Board”) of TGB Banquets and Hotels Limited (the “Company” or “TGBBHL”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Management will review and may amend this policy from time to time to bring the same in line with the amendments as may be applicable under the Clause 49 of the Listing Agreement and / or the relevant provisions of the Companies Act, 2013.

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

2. Purpose

Clause 49 (VII) of the Listing Agreement provides, among other things, that the company shall formulate a policy on materiality of Related Party Transactions and also for dealing with Related Party Transactions.

This policy intends to comply with the requirements of Clause 49 (VII) of the Listing Agreement to ensure proper approval and reporting of dealings with Related Parties and shall also be governed by the Companies Act, 2013 read with Rules made thereunder, as may be amended from time to time.

The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

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 the Act and Listing Agreement.

- d. **“Board”** refers to Board of Directors of TGB Banquets and Hotels Limited.
- 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 transaction”** means a transaction with a related party where any transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.
- h. **“Related Party”** shall have the meaning ascribed to it in Clause 49 of the Listing Agreement and the Act, including all amendments and modifications thereof from time to time.
- i. **“Related Party Transaction”** means transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.
- 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.

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 and
- The particulars of contracts or arrangements with related parties referred to in Section 188(1) in the prescribed form in the Board’s report and
- 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).

5. Policy for dealing with Related Party Transactions

5.1 Identification of Potential Related Party Transactions

Before the start of each financial year, the Company shall draw up a list of 'related parties' in accordance with the definition given in Clause 49 (VII) of the Listing Agreement. Any changes in the list during the financial year shall be made as and when the Company receives information in this regard from the Directors and Key Managerial Personnel. For this purpose, the Company shall devise an appropriate procedural mechanism.

The Company will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance within this policy.

5.2 Approvals required for Related Party Transactions

- i) All Related Party Transactions and any subsequent modifications shall have to be referred to the Audit Committee for prior approval of the Audit Committee.
- ii) Audit Committee can grant omnibus approval for those related party transactions which are repetitive in nature.
- 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.
- iv) Such approval shall be valid for 1 year and fresh approval shall be required after the expiry of one year.
- v) 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.
- vi) 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.
- vii) Board's approval shall be required for those related party transactions which fall within the provisions of Section 188 of the Companies Act, 2013.

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.

- viii) Further, all material Related Party Transactions shall require approval of the shareholders through special resolution.

Also, those related party transactions that fall within the provisions of Section 188 of the Companies Act, 2013 and triggers the limits provided under the relevant Rules would also require Shareholders approval.

- ix) Audit Committee and Shareholder's approval not required for transactions which are entered into between holding company and its wholly owned subsidiary whose accounts are consolidated and placed before the General Meeting for approval.

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.

- x) 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.

5.3 Process for Approval of Related Party Transactions

- i) Related Party Transactions will be referred to the Audit Committee for its approval.
- ii) Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.
- iii) Following details should be provided to the Audit Committee and the Board where approval for entering into Transactions with Related Party(s) are sought:
 - (a) The name of the Related Party and nature of relationship;
 - (b) The nature, duration of the contract and particulars of the contract or arrangement;
 - (c) The material terms of the contract or arrangement including the value, if any;
 - (d) Any advance paid or received for the contract or arrangement, if any;
 - (e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and

- (g) Any other information relevant or important to take a decision on the proposed transaction.

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.

5.4 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.

6. Amendments to this Policy

The Management of the Company may carry out changes to this policy from time to time so as to bring them in line with the amendments as may happen under Clause 49 of the Listing Agreement and / or the Companies Act, 2013.