



POLICY ON RELATED PARTY TRANSACTIONS



PREAMBLE

The Board of Directors of GKW Limited (**the “Company”**) have adopted the following Policy on Related Party Transaction (“Policy”), as per the requirement of Regulation 23 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

The Policy governs the transactions with related parties, which can present a potential or actual conflict of interest which may arise upon the transactions entered into by the Company with the related parties and whether such transactions are consistent with the interest of the Company and its members.

The Policy also acts as a guideline for identification of related parties and determines the materiality of related party transactions.

PURPOSE

The purpose of this Policy is to:

- a) ensure proper approval, disclosure and reporting of transactions between the Company and any of its related parties as per the provisions of SEBI Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 and Companies Act, 2013 and the Rules there under; and
- b) determine the materiality thresholds for related party transactions.

DEFINITIONS

“Committee” means the Audit Committee of the Company.

“Arm’s 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.

“Board” shall mean, the board of directors of the Company.

“The Companies Act” shall mean the Companies Act, 2013 and the rules thereof.

“Company” shall mean GKW Limited, the listed entity.

“Ordinary course of business” shall include the usual transactions, the transactions/actions which is consistent with the past practices undertaken by the Company to conduct its business operations and includes such action that was taken in the ordinary course of the normal day to day operations of the Company, and includes all such activities which the company can undertake as per the charter documents of the Company.



“SEBI LODR Regulations” means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“KMP” shall have the same meaning as defined in the Companies Act and the SEBI LODR Regulations.

“Policy” shall mean this Policy on Related Party Transactions.

“Relative” shall have the same meaning as defined in the Companies Act and the SEBI LODR Regulations.

“Related Party” shall have the same meaning as defined in the Companies Act and the SEBI LODR Regulations.

“Related party transaction” shall have the same meaning as defined in the Companies Act and the SEBI LODR Regulations.

“Material Modification” shall mean and include any modification to an existing related party transaction having variance of 10% or more of the existing limit as sanctioned by the Audit Committee/Board/Shareholders, as the case may be.

words and expressions used and not defined in this Policy but defined in the Companies Act and SEBI LODR Regulations shall have the meanings respectively assigned to them in those Acts.

MATERIALITY THRESHOLDS OF RELATED PARTY TRANSACTION

The following related party transactions with a Related Party shall be called as a “Material Related Party Transaction:

- a) If the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.
- b) If the transaction(s) involving payments made to such Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.



IDENTIFICATION OF RELATED PARTY

The Company shall at all times maintain a database of Related Parties containing details of the identified names of individuals and entities.

The database shall be reviewed on a quarterly basis, based on such declarations by directors, key managerial personnel and other group entities.

All the directors of the Company and KMPs shall be responsible for providing adequate notice to the Committee on any potential related party transaction.

APPROVAL OF RELATED PARTY TRANSACTIONS

(A) Approval of Committee for Related Party Transactions

1. All Related Party Transactions and subsequent material modification shall require prior approval of the Committee.

Provided any remuneration and/or sitting fees paid by the Company or its subsidiary, if any, to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of regulation 23 (1) of the SEBI LODR Regulations.

2. A related party transaction to which the subsidiary, if any, of the Company is a party but the Company entity is not a party, shall require prior approval of the audit committee of the Company 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 the subsidiary.
3. The aforesaid Paragraph 1 and 2 shall not be applicable for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries, if any, of a listed subsidiary as referred above, the prior approval of the audit committee of the listed subsidiary, if any, shall suffice.

4. Any member of the Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction. Provided only those members of the Committee who are independent directors, shall approve related party transactions.



5. The Committee should be provided with the following information for considering any Related Party Transaction:
 - a) Type, material terms and particulars of the proposed transaction;
 - b) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
 - c) Tenure of the proposed transaction (particular tenure shall be specified);
 - d) Value of the proposed transaction;
 - e) The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
 - f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
 - g) Justification as to why the RPT is in the interest of the listed entity;
 - h) A copy of the valuation or other external party report, if any such report has been relied upon;
 - i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
 - j) Any other information that may be relevant
6. The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Omnibus approval of Related Party Transaction

1. The Committee may grant omnibus approval for the Related Party Transaction which are repetitive in nature and are in the Ordinary course of business and are at Arm's length, after satisfying itself the need for such omnibus approval and that such approval is in the interest of the Company, subject to compliance of the Companies Act and the SEBI LODR Regulations.



2. The Committee after obtaining approval from the Board, set out the criteria for granting the omnibus approval which shall *inter alia* include the following:
 - i. The maximum value of transactions in aggregate under the omnibus route year.
 - ii. The maximum value per transaction.
 - iii. Manner of disclosures to be made before the Committee at the time of seeking omnibus approval.
 - iv. Transactions which shall not be subject to the omnibus approval.

The Omnibus Approval shall specify the following:

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

The Committee may grant omnibus approval for such transactions which cannot be foreseen and for which the aforesaid details are not available, provided that such transaction does not exceed the limits as specified under SEBI LODR Regulations and the Companies Act.

The Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Ratification of Related Party Transaction

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of regulation 23(1) of SEBI LODR Regulations;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;



- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of regulation 23 (9) of SEBI LODR Regulations;
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.”

(B). Approval of Board of such Related Party Transactions.

- a) All the Related Party Transactions and subsequent material modification which are not in the Ordinary course of business or not an Arm’s Length Transaction.
- b) Transactions which as per the Policy shall require approval of the Board.
- c) Transactions meeting the materiality thresholds and are required to be placed before the shareholders for approval.

(C). Approval of Shareholders of such Related Party Transactions.

- a) All Material Related Party Transactions and subsequent material modification shall require prior approval of the shareholders through resolution and no Related Party shall vote to approve such resolution, whether the entity is a related party to the particular transaction or not. However, this shall not be applicable in respect of a resolution plan approved under section 13 of the Insolvency and Bankruptcy Code 2016.
- b) All transactions specified under Section 188 of the Companies Act, 2013 which are not at arm’s length or not in the ordinary course of business and exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time .
- c) Transactions which as per the Policy shall require approval of the shareholders.
- d) The notice being sent to the shareholders seeking approval for any proposed RPT shall, disclose all information as required under applicable laws.



DISCLOSURE

Disclosure with respect to Related Party Transaction shall be made in accordance with the applicable laws and regulations.

OTHERS

The Committee and the Board shall review and amend this Policy at least once in every three years and update it accordingly.

Any subsequent amendment/ modification in the SEBI LODR Regulations and/or applicable laws in this regard shall automatically apply to this Policy.

This Policy will also be uploaded on the website of the Company and a weblink thereto shall be provided in the Annual Report.

Date of Original adoption / Revision of the Policy
11.11.2014
11.05.2016
28.03.2019
18.06.2020
30.05.2022
12.02.2025