

# **RELATED PARTY TRANSACTION POLICY**

(Revised Policy approved by the Audit Committee and Board of Directors at their meeting held on February 14, 2022 and effective from April 1, 2022)

## **INTRODUCTION**

Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) mandates a company to formulate a policy on materiality of related party transactions and dealing with related party transactions including clear threshold limits duly approved by the Board of Directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

In line with the aforesaid requirement, the Board of Directors of Dish TV India Limited has adopted this Policy on materiality of Related Party Transactions on recommendation of the Audit Committee.

## **OBJECTIVES**

This policy is framed in accordance with the requirements of the Companies Act, 2013, SEBI Listing Regulations & other laws and regulations applicable to the Company.

This Policy shall regulate transactions between the Company and its Related Parties based on the applicable laws and rules and regulations framed thereunder and also lay down mechanism for identification, approval, review and reporting of such transactions.

## **DEFINITIONS**

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law or regulation:

“**Act**” means the Companies Act, 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars thereof.

“**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.

“**Associate Company**” means a company as defined under section 2(6) of the Act or under the applicable accounting standards.

“**Audit Committee**” means the Committee of the Board formed under section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

“**Board**” shall mean the Board of Directors of Dish TV India Limited.

“**Company**” means Dish TV India Limited or DTIL.

“**Key Managerial Personnel**” in relation to the Company means:

- a) the Chief Executive Officer or the Managing Director or the Manager;
- b) the Company Secretary;
- c) the Whole-Time Director;
- d) the Chief Financial Officer;
- e) such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- f) such other officer as may be prescribed

**“Listed Subsidiary”** means any Subsidiary of the Company whose securities are listed on a stock exchange.

**“Unlisted Subsidiary”** means any Subsidiary of the Company whose securities are not listed on a stock exchange.

**“Ordinary Course of Business”** means usual transactions, customs and practices 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 of Association.

**“Related Party”** means a Related Party as defined in Section 2(76) of Act, Regulation 2(1) (zb) of the SEBI Listing Regulations and/ or under the applicable accounting standards.

**Under the Act, “Related Party” means, with reference to a company, means;**

- i) a director or his relative;
- ii) a Key Managerial Personnel or his relative;
- iii) a firm, in which a director, manager or his relative is a partner;
- iv) a private company in which a director or manager or his relatives is a member or director;
- v) a public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;
- vi) any body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except when such advice, directions or instructions is given in a professional capacity;
- vii) any person on whose advice, directions or instructions a director or manager is accustomed to act, except when such advice, directions or instructions is given in a professional capacity;
- viii) any Company which is—
  - (a) a holding, subsidiary or an associate company of such company; or
  - (b) a subsidiary of a holding company to which it is also a subsidiary;
  - (c) an investing company or the venturer of the company;

*Explanation— For the above clause “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.*

- ix) a director, other than an Independent Director, or Key Managerial Personnel of the Holding Company or his relative with reference to a company, shall be deemed to be a Related Party.

**“Relative”** with reference to any person, means anyone who is related to another, if—:

- (i) They are members of a Hindu Undivided Family;
- (ii) They are husband and wife; or
- (iii) One person is related to the other in such manner as may be prescribed

Rule 4 of the Definition Rules have prescribed the following persons who shall be deemed to be the relative of another, if he or she is related to another in the following manner-

1. Father (including step - father)
2. Mother (including step - mother)
3. Son (including step - son)
4. Son’s wife
5. Daughter
6. Daughter’s husband
7. Brother (including step – brother)
8. Sister (including step – sister)

**“Related Party” means a related party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards:**

Provided that:

- a. any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b. any person or any entity, holding equity shares:
  - (i) of twenty per cent or more; or
  - (ii) of ten per cent or more, with effect from April 1, 2023;in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.”

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

**“Related-Party Transaction” or “RPT”**

**a. Under the Companies Act, 2013**

Any contract or arrangement with a Related Party with respect to the following shall be considered as a Related Party Transaction:

- i) sale, purchase or supply of any goods or materials;
- ii) selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;
- vi) such related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- vii) underwriting the subscription of any securities or derivatives thereof of the Company.

**b. As per SEBI Listing Regulations**

A “Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity 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 listed entity or any of its subsidiaries (*with effect from April 1, 2023*); regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) 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;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. sub-division or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same

along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board: Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)

#### **“Material Related Party Transaction”**

In terms of Regulation 23 of the SEBI Listing Regulations, a transaction with a related party shall be considered material 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 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

#### **“Material modification”**

A modification to a RPT shall be considered material, if the:

- value of the modification individually or taken together with modifications during a financial year, exceeds 25% of the original transaction as approved by the Audit Committee and / or the shareholders; or
- in the opinion of the audit committee, significantly alters the nature or commercial terms of the transaction.

In case a modification is required pursuant to amendment to the applicable laws, it shall not be regarded as a material modification.

#### **IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

- (a) Each Director and Key Managerial Personnel is responsible for disclosing (and periodically updating) particulars of his/her relatives and his/her interest in all the entity/ies, either as Director and/or Member and/or Partner etc. Additionally, the Director and Key Managerial Personnel shall from time to time provide notice to the Board of any proposed Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.
- (b) The Management shall compile a List of Related Parties in accordance with the SEBI Listing Regulations and Act based on the disclosures provided by the Directors and Key Managerial Personnel and other information available with the Company.
- (c) The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- (d) The Company prefers to receive such notice of any proposed Related Party Transaction in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction and consider approvals.

#### **APPROVALS FOR RELATED PARTY TRANSACTIONS AND SUBSEQUENT MATERIAL MODIFICATION**

- (a) Prior approval of Audit Committee is required for all RPTs and any subsequent material modifications. Members of the audit committee who are independent directors will approve RPT

- (b) The Board approval is not required for transactions which are ordinary course of business and at arm's length
- (c) Prior approval of shareholders of the listed entity will be required for material RPTs and subsequent material modifications, however the same shall be put up to the Board for its approval at a meeting before the approval of shareholders.
- (d) Prior Audit committee approval is required for RPTs (whether entered individually or taken together with previous transactions during the financial year) where subsidiary is a party, but listed entity is not a party subject to threshold of:
  - 10% of the consolidated turnover of the listed entity
  - 10% of the standalone turnover of the subsidiary (with effect from April 1, 2023)

The members of the Audit Committee (without the participation the Committee member(s) interested in the transaction, if any) shall approve or disapprove any transactions, after considering the following factors, among others, to the extent relevant to the appropriate Related Party Transaction:

- a) Whether the Related Party Transaction is in the normal course of business of the Company;
- b) Whether the terms of the Related Party Transaction are fair and on arms-length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- c) Whether the Related Party Transaction would affect the independence of any Independent Director;
- d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of, or in connection, with the proposed transaction
- e) Whether the Company was notified about the Related Party Transaction before its commencement;
- f) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the benefits arising there from to the Company or Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deem relevant.
- g) Whether such transactions is / are not inconsistent with the best interests of the Company and its shareholders;

### **OMNIBUS APPROVAL**

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and Section 177 of the Act and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification

## **RESTRICTIONS ON PARTICIPATION IN RPTs**

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

No member of the company shall vote on resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

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.

## **INFORMATION TO BE PROVIDED TO AUDIT COMMITTEE / BOARD FOR CONSIDERATION OF RPTs**

- 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
- k. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

## **INFORMATION TO BE PROVIDED TO SHAREHOLDERS FOR CONSIDERATION OF RPTs**

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Act, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified above;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point f of information to be provided to audit committee / board for consideration of RPTs; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

#### **NO PRIOR APPROVAL REQUIRED**

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee and Shareholders of the Company, unless otherwise require:

- a) Any transaction(s) between the Company and its wholly owned subsidiary(ies) whose accounts are consolidated with the accounts of the Company and placed before the shareholders at the general meeting for approval.
- b) Any transactions entered between two wholly owned subsidiaries of the company, whose accounts are consolidated with Company and placed before the shareholders at the general meeting for approval.
- c) Any transaction that involves payment of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- d) Any transaction to which the listed subsidiary is a party but the Company is not a party, if RPT provisions under SEBI LODR are applicable to such listed subsidiary.
- e) Any transaction of unlisted subsidiaries of a listed subsidiary, the prior approval of the audit committee and shareholders of the listed subsidiary will suffice.

#### **REPORTING OF RELATED PARTY TRANSACTIONS**

1. Every contract or arrangement with related party, which is approved by the Audit Committee or Board or the shareholders, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
2. The details of all transactions with related parties shall be submitted on a consolidated basis, in the format specified in the relevant accounting standards, half yearly to the stock exchanges and the same shall be published on the Company's website.

#### **DISCLOSURE**



1. Details of all material transactions with related parties shall be disclosed quarterly along with the Compliance report on corporate governance.
2. The company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

**DISCLAIMER**

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.