



GLOBUS SPIRITS LIMITED

Policy On

Related Party Transactions

(Materiality & Dealings)

INTRODUCTION

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.

The Board of Directors of GLOBUS SPIRITS LIMITED has adopted this policy pursuant to the provisions of Companies Act, 2013(hereinafter referred as the Act) read with applicable rules, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

DEFINITIONS

‘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.

‘Ordinary Course of Business’ means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and incidental or allied activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

‘Material related party transaction’ 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.

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(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

'Relative' in respect of related party transactions shall have the same meaning as defined in Section 2(77) of the Act.

'Related party' shall have the same meaning as assigned to it in Section 2(76) of the Act or under the applicable Accounting Standards. Any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be a related party.

'Related party transactions' include all contracts, agreements or any other transactions as explained in Section 188 of the Act or transfer of resources, services or obligations between the Company and a related party, 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, between Globus Spirits Limited and any of the related party(ies).

'Material Modification' of Related Party Transaction(s) means any modification of more than twenty percent of the total value of the transaction(s).

'The Act' means the Companies Act, 2013.

'SEBI LODR' means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

'The Company' means Globus Spirits Limited.

OBJECTIVE

This Policy is laid down in order to specify guidelines while carrying on transaction with a related party(ies).

These guidelines shall help in identifying related party transactions and the potential conflict of interest involved in it. The conflict may be against the better interest of Company or its shareholders.

The Policy shall also help in determining the materiality of the related party transactions. Through the policy, the board shall ensure that the related party transactions as proposed or being carried on, are in compliance with the provisions of the applicable laws.

PROCESS OF DEALING RELATED PARTY TRANSACTIONS

The process to be followed while dealing with related party transactions at Globus Spirits Limited is as following:

Identification of Related Party(ies):

It should be ensured before carrying out any transaction whether the Party(ies) involved is related or not.

Materiality of the transaction:

The amount involved in a related party transaction should be checked with the threshold limits as specified in the Act and SEBI LODR for the purpose of classification as material related party transaction.

The Board of the Company has prescribed the below materiality thresholds for RPTs beyond

Which approval of the shareholders through a resolution shall be required:

A. As per SEBI LODR:

1: 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.

2: A transaction involving payments made to a 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 five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

B. As per the Act:

Related Party Transactions falling under Section 188(1) of the Act read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended from time to time and exceed the limits provided under the said rules.

Approval of Related Party Transactions:

A. Audit Committee

1. All related party transactions and subsequent material modifications, before it is carried out, should be referred to Audit Committee for its prior recommendations and approval. The transaction referred above shall be approved only by those members of the audit committee who are Independent Directors.
2. A related party transaction to which the subsidiary of a Company is a party but the Company 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 percent of the annual consolidated turnover, as per the last audited financial statements of the Company.
3. With effect from April 1, 2023, a related party transaction to which the subsidiary of Company is a party but the Company 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.

4. Prior approval of the audit committee shall not be required for a related party transaction 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 SEBI LODR are applicable to such listed subsidiary.
5. Related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (4) above, the prior approval of the audit committee of the listed subsidiary shall suffice.
6. The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the SEBI LODR including the following:
 - (a) The audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - (b) The audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
 - (c) The omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 conditions as the audit committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- (d) The audit 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 approvals given.

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

Information to be reviewed by the Audit Committee for approval 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:
 1. details of the source of funds in connection with the proposed transaction
 2. 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;
 3. applicable terms, including covenants, tenure, interest rate and repayment schedule whether secured or unsecured; if secured, the nature of security; and
 4. 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.

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

B. Approval by Board of Directors :

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section, which are not in the ordinary course of business or at arm's length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether a Related Party Transaction is in the Ordinary Course of Business and/ or at Arms' Length.

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 related to such contract or arrangement.

C. Approval of Shareholders of the Company :

All the transactions with related parties meeting the materiality thresholds and subsequent material modifications as defined by the audit committee will be placed before the shareholders for approval. In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or are not at arm's length basis; and (b) exceed the thresholds laid down in the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall be placed before the shareholders for approval. For this purpose, no related party shall vote to approve such resolutions irrespective of whether the entity is a related party to the particular transaction or

not. The Companies (Amendment) Act, 2015 and Regulation 23(5)(b) of the SEBI LODR provide that the requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company. Hence, no approval shall be sought from the shareholders for such Related Party Transactions.

Further, Regulation 23(5)(c) of the SEBI LODR provides that the requirement for seeking shareholders' approval shall not be applicable to transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval. Accordingly, no approval shall be sought from the shareholders for such Related Party Transactions.

Prior approval of the shareholders of Company shall not be required for a related party transaction 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 SEBI LODR are applicable to such listed subsidiary.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

DISCLOSURES

The Company shall disclose the related party transactions carried out in the Board's Report as prescribed in the Act which are not in ordinary course of business or arm's length basis along with the justification to enter into such transaction.

The company shall submit on the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

This Policy will be uploaded on the website of the Company.

DEVIATION FROM THE POLICY

In case of any deviance from the policy while carrying out a related party transaction, the matter shall be taken to Audit Committee for subsequent ratification. If the Audit Committee find the terms of transaction against the interests of the company or the applicable laws, the related party transaction shall be treated as void-ab-initio.

REVIEW & AMENDMENTS

The Board of Directors of Globus Spirits Limited shall review this policy from time to time and at least once every three years in order to comply with the amendment in applicable laws, if any or otherwise as it may deem fit.

The Board may subject to the 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. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 23 of SEBI LODR.

In the event of any conflict between the provisions of this Policy and the SEBI LODR, as amended from time to time, the SEBI LODR shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force. Any relevant amendment in Regulation 23 of SEBI LODR shall be considered as incorporated in this policy from its effective date without any active intervention or amendment by the Board of Directors of the Company.