

DEVYANI INTERNATIONAL LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. Purpose of this Policy

- A. Devyani International Limited ("**DIL**" or "**Company**") is governed, amongst others, by the provisions of the Companies Act, 2013 and Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI has mandated every listed entity to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.
- B. Accordingly, the Board of Directors of the Company ("**Board**") had approved this Policy on Related Party Transactions ("**Policy**") based on the recommendations of the Audit, Risk Management and Ethics Committee of the Company ("**Audit Committee**").
- C. The Board on recommendation of the Audit Committee shall review the Policy once in three years and may amend the same from time to time.

2. Definitions

- A. "**Act**" means the Companies Act, 2013 and Rules made thereunder, including any amendments thereof.
- B. "**Arm's length transaction**" means a transaction between two Related Parties (defined hereinafter) that is conducted as if they were unrelated, so that there is no conflict of interest.
- C. "**Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable circulars issued thereunder, including any amendments/ modifications thereof for the time being in force.
- D. "**Material Modification**" means any subsequent change/ variation/ modification to an existing Related Party Transaction which was approved by the Audit Committee or Board or the Shareholders of the Company, as the case maybe, and (a) having variance exceeding 25% of the existing limit/ value/ pricing formula; and/ or (b) changes the transactions which lost its character of being in 'ordinary course of business' or 'arm's length'.
- E. "**Material Related Party Transaction**" means a Related Party Transaction wherein the transaction(s) to be entered into individually or taken together with previous transactions

during a financial year, exceeds Rs. 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Provided that a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- F. **“Related Party”** means a related party as defined under Regulation 2(1)(zb) of the Listing Regulations.
- G. **“Related Party Transaction”** means related party transaction as defined under Section 188 of the Act and/or Regulation 2(1)(zc) of the Listing Regulations.

Further, Related Party Transactions can be broadly of two categories:

Related Party Transaction(s) of the Company- Related Party Transaction(s) where the Company is a party to the transaction(s)/ contract(s)/ arrangement(s) with a Related Party.

Related Party Transaction(s) of the Subsidiary- Related Party Transaction(s) where the Subsidiary(ies) of the Company is a party to the transaction(s)/ contract(s)/ arrangement(s) with a Related Party but the Company is not a party to the said transaction(s)/ contracts(s)/ arrangement(s).

- H. **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Act.

All other words and expressions used in this Policy and not defined herein, but defined in the Act, the Listing Regulations, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 and other SEBI Regulations, shall have the meanings respectively assigned to them in such legislation.

3. Review and approval of Related Party Transaction

A. Audit Committee

- (i) All the transactions which are identified as Related Party Transactions of the Company and subsequent modification(s) thereof, shall be pre-approved by the Audit Committee in the manner specified under the Act and the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- (ii) The Audit Committee may grant omnibus approval for Related Party Transactions of the Company which are repetitive in nature and subject to such criteria/ conditions as mentioned under Section 177 of the Act and Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line

with this Policy. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company. Such omnibus approval shall be valid for one financial year. Additionally, the Audit Committee may also grant omnibus approval for Related Party Transactions of the Company, which cannot be foreseen and the specified details are not available, subject to their value not exceeding Rs. 1 Crore per transaction.

- (iii) The Audit Committee may also grant omnibus/ specific approval for the Related Party Transactions of the Subsidiary and subsequent Material Modification(s) thereto, if the value of such transaction crosses the thresholds as prescribed under the Listing Regulations. Further, the Audit Committee may grant omnibus approval for the Related Party Transactions of the Subsidiary, which are repetitive in nature and subject to such criteria/ conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Additionally, the Audit Committee may also grant omnibus approval for Related Party Transactions of the Subsidiary, which cannot be foreseen and the specified details are not available, subject to their value not exceeding Rs. 1 Crore per transaction.
- (iv) The Audit Committee may ratify Related Party Transaction(s) up to a limit of Rs. 1 crore during a financial year 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 terms and conditions prescribed in the Listing Regulations and the Act.
- (v) The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions undertaken pursuant to the omnibus approval.
- (vi) Only those members of Audit Committee who are Independent Directors, will approve Related Party Transactions. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

B. Board

- (i) In case Related Party Transactions (pursuant to Section 188 of the Act) of the Company are referred by the Company to the Board for its approval due to such transaction being (i) not in the ordinary course of business; and/ or (ii) not an Arm's length transaction, the Board will consider such factors as prescribed under Section 188 of the Act including nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the said transaction or may require such modification(s) as it deems appropriate.
- (ii) All Material Related Party Transactions and subsequent Material Modification, shall be approved by the Board in the manner specified under the Listing Regulations.
- (iii) Any member of the Board who has any interest in any Related Party Transaction

will abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

- (i) If a Related Party Transaction (pursuant to Section 188 of the Act) of the Company is not in the ordinary course of business, and/ or not an Arm's length transaction and exceeds the prescribed thresholds under the Act, then such Related Party Transaction shall require prior approval of the shareholders of the Company. No shareholder shall vote on such resolution, to approve any Related Party Transaction which may be entered into by the Company, if such shareholder is a Related Party in the context of the Related Party Transaction for which the said resolution is being passed.
- (ii) Material Related Party Transaction including any subsequent Material Modification, shall require prior approval of the shareholders of the Company, and no Related Party shall vote to approve such resolution irrespective of whether the entity is a party to the particular transaction or not.

4. **Exemptions**

The following Related Party Transactions shall be exempt from the requirement of prior approval of the Audit Committee/ Board/ Shareholders under this Policy:

- (i) transactions between the Company and its wholly owned Subsidiary(ies), whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- (ii) transactions entered into between and among two or more wholly owned Subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

5. **Reporting of Related Party Transactions**

- (i) Every contract or arrangement (pursuant to Section 188 of the Act), which is approved by the Board and/ or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- (ii) The Company shall submit to the stock exchanges disclosures of the specified Related Party Transaction(s) in the prescribed format, manner and timelines set-out in the Listing Regulations, and the same shall be published on the Company's website.

6. **Limitation and amendment**

The Board can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc.

shall prevail upon the provisions of this Policy and this Policy shall stand amended/ modified accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. Disclosure of the Policy

This Policy will be uploaded on website of the Company.

Version	Approved By
V1	Board of Directors Date: 17-March-2021
V2	Board of Directors Date: 4-August-2023
V3	Board of Directors Date: 11-February 2025