



ZEE LEARN LTD.

(CIN L80301MH2010PLC198405)

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RELATED PARTY TRANSACTION POLICY

Version No	Approving Authority	Issue Date
1	Board of Directors	October 1, 2014
2	Board of Directors	December 3, 2020

1. **Scope & Purpose of the Policy**

Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its Shareholders. In compliance with the regulatory requirements in connection with approval and reporting of Related Party Transactions as prescribed *inter alia* in the Companies Act, 2013 read with Rules thereunder ('Act') and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations ('SEBI LODR'), **Zee Learn Limited** ('the Company' or 'ZLL') had formulated guidelines for identification of Related Party Transactions and proper conduct, documentation, approval and reporting of Related Party Transactions.

Also, Regulation 23(1) of SEBI LODR requires a Listed Company to formulate a Policy on Materiality of Related Party Transaction and dealing with Related Party Transactions.

In light of above, the Board of Directors of **Zee Learn Limited** had approved a Policy on Related Party Transaction on October 1, 2014. The said Policy was reviewed by Audit Committee and the revised Policy was approved and issued by the Board of Directors on December 3, 2020. Going forward Audit Committee would review and amend the Policy, as and when required, subject to approval of the Board.

2. **Objective of Policy**

The objective of this Policy is to set out (a) materiality thresholds for Related Party Transactions; and (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, SEBI LODR and other laws and regulations as may be applicable to the Company.

3. **Definitions**

3.1 "Audit Committee" shall mean the Committee of Board of Directors of the Company constituted as Audit Committee as per SEBI LODR and Act to oversee the accounting and financial reporting process of the Company.

3.2 "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: For the purposes of this definition, 'significant influence' means control of at least 20% of total share capital, or of business decisions under an agreement as per Section 2(6) of the Act.

3.3. "Board" shall mean the Board of Directors of Company.

3.4. "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. "Control" includes the right to appoint majority of the directors or to control the management or

policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

3.5. “Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and shall include (i) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-time Director; (ii) Company Secretary; and (iii) Chief Financial Officer.

3.6. “Material Related Party Transaction” means a transaction with a related party, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

3.7. “Policy” means Related Party Transaction Policy.

3.8. “Promoter” and “Promoter Group” shall have the same meaning as assigned to them respectively in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

3.9. “Related Party” shall mean an (i) entity which is a related party under Section 2(76) of the Act; or (ii) entity which is a related party under the applicable accounting standards.

Provided that any person or entity belonging to the Promoter or Promoter group of the Company and holding 20% or more of the shareholding in the Company shall be deemed to be a related party.

3.10. “Related Party Transaction” means a transfer of resources, services or obligations between the company and a related party, regardless of whether a price is charged and “Transaction” with a related party shall be construed to include a single transaction or group of transaction in a contract.

3.11. “Relative” means relative as defined under Section 2(76) the Act.

4. Materiality Thresholds

SEBI LODR requires a Company to provide materiality thresholds for transactions beyond which Shareholders approval will be required by way of a resolution. The Company has fixed its materiality threshold as per Section 188 of the Act read with Rules framed thereunder and Regulation 23 of SEBI LODR as amended from time to time.

Additionally, as per SEBI LODR, 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.

5. Manner of Dealing with Related Party Transactions

5.1. Identification of Related Parties

Each Director and Key Managerial Personnel (KMP) of the Company is responsible for disclosing (and periodically updating) particulars of his/her relatives and his/her interest in any other entity 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 potential Related Party Transaction involving him/her or his/her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.

Finance and Accounts department shall compile a list of Related Parties as per applicable Accounting Standards. Based on disclosures from Directors and KMPs and information provided by the Finance & Accounts department, the Company Secretary and Compliance Officer shall maintain and update list of related parties of the Company, from time to time.

The Company strongly prefers to receive notice/information of any potential Related Party Transaction well in advance from the respective functional teams so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction and consider approvals.

5.2. Approval of Related Party Transactions

5.2.1. Approval of Audit Committee - All related party transactions shall require prior approval of Audit Committee. However, the Audit Committee at its discretion may grant omnibus approval for Related Party Transactions subject to compliance with following conditions:

- The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy and such approval shall be applicable in respect of repetitive transactions;
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- The omnibus approval shall provide details of (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 (for ex: +/- 5%) and (iii) such other conditions as the Audit Committee may deem fit;
- However, in case of Related Party Transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction;

- The Audit Committee shall review, at least on quarterly basis, the details of Related Party Transactions entered into by the company pursuant to the approval granted including omnibus approval given by the Audit Committee;
- Such omnibus approval shall be valid for 1 year.

5.2.2. Review & approval of Proposal by Audit Committee: After reviewing the proposal, members of the audit committee (without the participation the committee member(s) interested in the transaction, if any) shall approve or disapprove such transactions, after considering the following factors, among others, to the extent relevant to the appropriate Related Party Transactions:

(i) 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;

(ii) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

(iii) Whether the Related Party Transaction would affect the independence of any Independent Director;

(iv) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of, or in connection, with the proposed transaction;

(v) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

(vi) 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.

If the Committee determines that a Related Party Transaction should be brought before the Board, whether in view of internal pre-determined threshold or otherwise 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 above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

5.2.3. Approval of Shareholders of the Company: All transactions with related parties meeting the materiality threshold laid down in Clause 4 of the Policy shall be placed before the shareholders for approval.

In addition to above, all kinds of transactions specified in Section 188 of the Act which are (a) not in ordinary course of business and at arms' length and (b) exceeds the threshold laid down in Companies (Meeting of Board and its Powers) Rules, 2004 are placed before the shareholders for approval.

For the purpose, all entities falling under the definition of related parties shall not vote to approve the proposal irrespective of whether the entity is a part to the particular transaction or not.

5.3. Excluded transaction

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders, unless required under other specific regulatory requirements for the time being in force:

- Any transaction(s) between the Company and its wholly owned subsidiary (ies) whose accounts are consolidated with the accounts of the Company.
- 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.
- Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro-rata as the Related Party.
- Any scheme of loans/benefits availed by KMP and/or Whole-time Directors which is applicable to all employees of certain management level as per the policy of the Company.
- Any Stock Option granted by the Company to the KMP and/or Whole-time Directors, as per Company's ESOP Scheme drawn in accordance with the Act and SEBI Regulations and approved by the Shareholders, which is available generally to employees of the Company/its Subsidiaries.
- Any Scheme availed for sale/exchange of Company's products or services by Directors, KMP or their respective relatives, at discount or otherwise, applicable to the Directors/Management/Public/Shareholders.

6. Disclosures

6.1.1. The Company shall disclose in the Board report, transactions prescribed under section 188 of the Act with related parties, which are not in ordinary course of business or arms length basis along with justification for entering into such transactions.

6.1.2. Additionally, as per SEBI LODR, the Company shall submit, disclosure of related party transaction on consolidated basis, in the format prescribed in the Accounting Standards, to the Stock Exchanges within 30 days from the date of publication of half-yearly standalone and consolidated financial results. The aforesaid disclosure shall also be uploaded on website of the Company.

6.1.4. This Policy shall be uploaded on website of the Company as per SEBI LODR.

7. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of any transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the said Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate. In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without appropriate approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

8. Regulatory Changes / amendments

Any regulatory amendments in connection with related party transaction(s) including *inter alia* identification of related parties/related party transactions, approvals and/or disclosures thereof shall take precedence over this Policy and any such regulatory amendments shall be deemed to have been incorporated in this Policy on and from effective date of such changes/amendment.
