# Policy on materiality of and dealing with Related Party Transactions (Related Party Transactions Policy)

**Approved by Board of Directors**

**Last Reviewed: May 29, 2026**

## 1. PREAMBLE AND OBJECTIVES

1.1 The Policy is framed in accordance with the requirements of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

1.2. Bharti Telecom Limited ('Company') acknowledges that the Related Party Transactions may have potential or actual conflicts of interests and may raise questions whether such transactions are in consonance with the best interest of the Company & its shareholders. In order to address the concern and to set forth the practices & procedures for entering into and dealing with Related Party Transactions, the Board of Directors have adopted this Policy. The Policy is applicable to all the Related Party Transactions irrespective of their nature, value or volume.

1.3. This Policy is intended to be in conjunction with the applicable regulatory provisions & other policies of the Company including Code of Conduct.

## 2. DEFINITIONS

2.1. "**Act**" means Companies Act, 2013 & rules made thereunder, as amended from time to time.

2.2. **"Arm's length transaction"** means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

2.3. **"Audit Committee"** means the Committee constituted by the Board of Directors of the Company under the applicable provisions of SEBI Listing Regulations and Act.

2.4. **"Concerned or Interested Director or Key Managerial Personnel"** means a Director or Key Managerial Personnel, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

(a) with a body corporate in which such director or such director in association with any other director, or key managerial personnel, holds more than two percent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

(b) with a firm or other entity in which, such director or key managerial personnel is a partner, owner or member, as the case may be.

2.5. **"Key Managerial Personnel ('KMP')"** in relation to Company means (i) Chief Executive Officer or Managing Director or Manager (ii) Company Secretary (iii) Whole-time director (iv) Chief Financial Officer (v) 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 (vi) such other officer(s) as may be prescribed under the Act from time to time.

2.6. **"Material Modification"** means any modification to the previously approved Related Party Transaction which shall result in a variance on the pricing, quantity and/or overall transaction

value by 20% or more as compared to the approval given by the Audit Committee/ Board of Directors/ Shareholders (as applicable).

2.7. **"Material Related Party Transaction"** means a transaction with a Related Party if the transaction to
be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1000 Crore or 10% of the annual consolidated turnover of the Company (as per the last audited financial statements), whichever is lower.

Further, 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 5% of the annual consolidated turnover of the Company (as per the last audited financial statements).

2.8. **"Ordinary Course of Business":** a transaction will be treated as transaction in the 'Ordinary Course
of Business' if it is-

(i) covered in the object clause of the Memorandum of Association of the Company;
(ii) in furtherance of business objectives of the Company;
(iii) normal and otherwise routine in the particular business
(iv) the income/expense is treated as business income or expense
(v) common in a particular industry; (vi) repetitive/ frequent in nature.

The above list is not exhaustive, and the Company shall assess each transaction basis its type & nature.

2.9. **"Policy"** means this Policy on Materiality of Related Party Transactions.

2.10. **"Related Party"** shall have the meaning as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations, including any statutory modification or re-enactment thereof.

2.11. **"Related Party Transaction"** shall have the meaning as defined in Regulation 2(1)(zc) of SEBI Listing Regulations and Section 188 of the Act, including any statutory modification or re-enactment thereof.

*The words & expressions used in this Policy and not defined hereunder, shall have the same meaning assigned to them in the SEBI Listing Regulations or such other applicable law(s) for time being in force.*

## 3. IDENTIFICATION OF RELATED PARTIES

In terms of the applicable provisions of the Companies Act, 2013 ('Act'), all the Director and KMP are responsible to provide written notice to the Company informing their concern & interest in the other entities, from time to time.

On the basis of criteria prescribed under the Act and/ or SEBI Listing Regulations and as per the aforesaid declaration(s)/ disclosure(s)/ notice(s) received from the Directors and KMPs, the list of related parties of the Company and of its subsidiary companies are compiled and updated from time to time.

## 4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

### 4.1. Approval of Audit Committee

4.1.1. In terms of the applicable provisions of SEBI Listing Regulations, following transactions shall require prior approval of the Audit Committee of the Company:

(i) Transaction of the Company with its Related Party or Related Party of any of its subsidiary companies

(ii) Transaction of a subsidiary company with its Related Party or Related Party of the Company if the value of such transaction whether entered into individually or taken together with previous transaction(s) during a financial year exceeds -

(a) 10% of the annual consolidated turnover of the Company (as per the last audited financial statements) – *applicable for FY 2022-23*

(b) 10% of the annual standalone turnover of the concerned subsidiary company (as per the last audited financial statements) – *applicable for FY 2023-24 and onwards*

(iii) Transaction of the Company with any other person or entity, the purpose and effect of which is to benefit a Related Party of the Company or any of its subsidiary companies

(iv) Transaction of a subsidiary company with any other person or entity, the purpose and effect of which is to benefit a Related Party of the Company or any of its subsidiary companies, if the value of such transaction whether entered into individually or taken together with previous transaction(s) during a financial year exceeds 10% of the annual standalone turnover of the concerned subsidiary company (as per the last audited financial statements) – *applicable for FY 2023-24 and onwards*

(v) Any modifications including Material Modification to the Related Party Transaction(s) already approved by the Audit Committee

(vi) Any other transaction as may be prescribed by the Board of Directors/ Shareholders, from time to time

4.1.2. Provided that approval of the Audit Committee of the Company shall not be required for the following Related Party Transactions:

(a) Transactions to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

(b) Transactions [except those which are specified in Section 188(1) of the Act] entered into between the Company and its wholly-owned subsidiary company whose accounts are consolidated with the Company and placed before the Shareholders of the Company at the general meeting for approval.

(c) Transactions entered into between two wholly-owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the Shareholders of the Company at the general meeting for approval.

4.1.3. Provided further that for Related Party Transactions of unlisted subsidiaries of the listed subsidiary as referred to in clause 5.1.2(a) above, the prior approval of the Audit Committee of that listed subsidiary shall suffice.

4.1.4. The Audit Committee, subject to applicable provisions of the Act, SEBI Listing Regulations, provisions of this Policy and criteria & thresholds approved by the Board of Directors, may grant Omnibus Approval to a Related Party Transaction (except for the transactions in respect of selling or disposing of the undertaking of the Company) between the Company and its Related Party, subject to satisfaction of the conditions as the Audit Committee may deem fit including but not limited to the following:

(a) Such transaction is repetitive in nature
(b) There is a specific need of such Omnibus Approval.
(c) Such transaction is in the interest of the Company
(d) The omnibus approval shall specify (i) the name(s) of the related party; (ii) nature of transaction; (iii) period of transaction; (iv) maximum amount of transaction that can be entered into; and (v) the indicative base price/ current contracted price and the formula for variation in the price, if any.

Provided that where the need for related party transaction cannot be foreseen and details specified in clause (a) to (d) are not available, Audit Committee may grant Omnibus Approval for such transactions subject to their value not exceeding Rs.1 Crore per transaction.

4.1.5. Omnibus Approval shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of that financial year.

4.1.6. Audit Committee shall review the following:
- details of Related Party Transactions entered into by the Company pursuant to the Omnibus Approvals accorded in terms of clause 4.1.4 above, on a quarterly basis; and
- status of long-term (more than one year) or recurring transactions, on an annual basis.

4.1.7. Only those members of Audit Committee of the Company who are Independent Directors, will approve Related Party Transactions. Any member of Audit Committee having a potential interest in the proposed RPT, will neither participate in the discussions nor vote on the proposal for approval of the said transaction.

### 4.2. Approval of Board of Directors

4.2.1. Following Related Party Transactions shall require prior approval of the Board of Directors of the Company:

(i) Related Party Transactions in which the directors or the Key Managerial Personnel are concerned or interested.

(ii) Transactions specified in Section 188(1) of the Act which are not in the ordinary course of business and/or not on arm's length terms.

(iii) Material Related Party Transactions which are proposed to be placed before the Shareholders for approval.

(iv) Related Party Transactions where Audit Committee of the Company is of the opinion that the same should be brought before the Board of Directors or if the Board of Directors *suo-moto* decides to review any such transaction.

(v) Related Party Transactions for which approval of the Board of Directors is mandatory under any applicable law for time being in force.

(vi) Any Material Modification to the Related Party Transactions already approved by the Board of Directors.

(vii) Any other transaction as may be prescribed by the Shareholders from time to time.

4.2.2. Provided that Related Party Transactions referred to in Clause 4.2.1 (ii) above, shall not require approval of the Board of Directors of the Company if it is entered into between the Company and its wholly-owned subsidiary company whose accounts are consolidated with the Company and placed before the Shareholders of the Company at the general meeting for approval.

### 4.3. Approval of Shareholders

4.3.1. Following Related Party Transactions shall require prior approval of the Shareholders of the Company:

(i) Material Related Party Transactions and Material Modifications thereto.

(ii) Transactions specified in Section 188(1) of the Act which -

- are not in the ordinary course of business and/or not on arm's length terms; and
- exceeds the threshold specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or reenactment thereof

4.3.2. No member of the company shall vote on the resolution to approve any transaction mentioned in Clause 4.3.1(ii) above, if such member is a related party to the proposed contract or arrangement.

4.3.3. No Related Party shall vote to approve any transaction mentioned in Clause 4.3.1(i) above, whether the entity is a related party to the particular transaction or not.

4.3.4. Provided that approval of the Shareholders of the Company shall not be required for the following Related Party Transactions:

(a) Transactions to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

(b) Transactions entered into between the Company and its wholly-owned subsidiary company whose accounts are consolidated with the Company and placed before the Shareholders of the Company at the general meeting for approval.

(c) Transactions entered into between two wholly-owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the Shareholders of the Company at the general meeting for approval.

(d) Transactions in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized Stock Exchange within one day of the resolution plan being approved.

(e) Transactions specified under Clause 6 of this Policy, subject to compliance of the applicable provisions of the Act and SEBI Listing Regulations.

4.3.5. Provided that for Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred to in Clause 4.3.4(a) of this Policy, the prior approval of the Shareholders of that listed subsidiary shall suffice.

## 5. CRITERIA FOR APPROVING THE RELATED PARTY TRANSACTIONS

5.1. The Audit Committee and Board of Directors shall review and consider the following factors while granting approval for a proposed Related Party Transaction:

(a) Type, material terms and particulars of the proposed transaction;

(b) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);

(c) Tenure of the proposed transaction (particular tenure shall be considered);

(d) Value of the proposed transaction;

(e) Percentage value of the proposed transaction in terms of the Company's annual consolidated turnover for the immediately preceding financial year;

(f) Percentage value of the proposed transaction in terms of the subsidairy's annual standalone turnover for the immediately preceding financial year *(applicable only for the transactions involving a subsidiary company)*;

(g) Justification as to why the transaction is in the interest of the Company;

(h) Copy of valuation report or other external party report, if any;

(i) Percentage value of the proposed transaction in terms of the counter party's annual consolidated turnover for the immediately preceding financial year *(voluntary)*;

(j) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary company-

- details of the source of funds in connection with the proposed transaction;
- 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;
- applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction;

(k) Any other information that may be considered appropriate/ relevant by Audit Committee.

5.2. Following information shall be provided in the notice of general meeting by which the approval of shareholders of the Company is sought for a proposed Related Party Transaction:

(a) A summary of the information specified in Clause 5.1 of this Policy;

(b) A statement that the valuation or other external report, *if any,* relied upon by the Company in relation to the proposed transaction will be made available at the registered email address of the Shareholders;

(c) name of the Directors and KMPs who are related, if any;

(d) Any other information appropriate/ relevant for the Shareholders to take the decision on the proposed transactions.

## 6. CONTRACTS/ ARRANGEMENTS NOT TO BE CONSIDERED AS RELATED PARTY TRANSACTIONS

6.1. Transactions or arrangements which are specifically dealt in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be covered under this Policy, including but not limited to the following:

(a) Appointment & payment of remuneration (including any variation thereof) to Key Managerial Personnel;

(b) Payment of remuneration, fee, commission etc. to any Director;

(c) Shares based incentive plans for the benefits of Directors or KMPs approved by the Shareholders including ESOPs.

(d) CSR Contribution etc.

(e) Transaction referred to in Clause 6.3 of this Policy and such other transactions or arrangements exempted under the Act and/ or SEBI Listing Regulations including those specified in Clause 6.2 below.

6.2. In terms of the applicable provisions of SEBI Listing Regulations, following events shall not be considered as Related Party Transactions:

(a) 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) Following corporate actions by the Company which are uniformly applicable/offered to all the shareholders in proportion to their shareholding:
- payment of dividend;
- subdivision or consolidation of securities;
- issuance of securities by way of a rights issue or a bonus issue; and
- buy-back of securities

6.3. It is clarified that corporate actions by a Related Party which are uniformly applicable/ offered to all the shareholders of such Related Party including the Company, shall also not be considered as Related Party Transactions under this Policy.

## 7. DISCLOSURES BY THE COMPANY

7.1. Appropriate disclosures as required under the Act and the SEBI Listing Regulations, shall be made by the Company in the Annual Report and to the Stock Exchanges.

7.2. This Policy shall be hosted on the Company's website viz. www.bhartitelecom.in and web-link of the same shall be provided in the Annual Report.

7.3. In addition to the statement(s) mentioned in Clause 4.1.6 of this Policy, a summarized statement of all transactions with Related Parties entered during the relevant quarter pursuant to the contracts or arrangements already approved by the Audit Committee/ Board of Directors/

Shareholders (as applicable), shall be placed before the Audit Committee and Board of Directors for their information, review & noting, at each quarterly meeting.

## 8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event any Director, KMP, any other officer or the Company become aware of any Related Party Transaction that is in deviation of this Policy and/ or has not been approved under this Policy prior to its consummation, such person shall promptly notify the matter to the Company Secretary of the Company who shall ensure that the same is placed before the Audit Committee/ Board of Directors (as applicable) at the earliest but not later than first meeting of the Audit Committee or Board of Directors held after the date of such intimation.

The Audit Committee/ Board of Directors (as applicable), shall consider all the relevant facts & circumstances regarding the said transaction and shall evaluate all the options available to the Company such as ratification, revision, termination etc. of the said Related Party Transaction. While reviewing and evaluating the aforesaid transaction, Audit Committee/ Board of Directors (as applicable) shall have the power to modify or waive any procedural requirement of this Policy.

## 9. GENERAL

Company Secretary and Chief Financial Officer are jointly authorised to amend any provision of the Policy to give effect to any change/amendment notified by Ministry of Corporate Affairs or SEBI in the Act or SEBI Listing Regulations or otherwise, from time to time. Such changes/ amended policy shall be placed before the Audit Committee and Board of Directors for noting and ratification. In case any provision of this Policy is contrary to or inconsistent with the provisions of the Act, SEBI Listing Regulations and/ or any other applicable law for time being in force, the latter shall prevail.

The Board of Directors shall periodically review the Policy but not less than once in every three years.

Any question/ clarification/ suggestion relating to this Policy may be addressed to the Company Secretary at compliance.officer@bharti.in.

## 10. VERSION HISTORY

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| Approved by | Board of Directors |
| Date of Review | May 29, 2026 |
| Date of Amendment | February 06, 2025 |
| Policy Owner Department | Secretarial and Finance |