



RELATED PARTY TRANSACTIONS POLICY

1. INTRODUCTION

This Policy is intended to ensure proper approval and reporting of transactions between SpiceJet Limited (the “**Company**”) and Related Parties in terms of applicable laws and regulations.

2. OBJECTIVE OF THE POLICY

Related Party Transactions have been one of the major areas of focus for the Corporate Governance reforms being initiated by the Indian legislature.

The change introduced in the Corporate Governance norms through the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the companies to have enhanced transparency and due process of approval of the Related Party Transactions. One of such requirement is that the companies are required to formulate a policy of materiality of Related Party Transaction and on dealing with Related Party Transactions.

The Board of Directors of the Company has adopted Related Party Transactions Policy to set forth the procedure under which the transactions with Related Parties shall be considered for approval/ ratification.

3. DEFINITIONS

- (a) “**Act**” means the Companies Act, 2013 and rules framed there under, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.
- (b) “**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.
- (c) “**Audit Committee**” means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing Regulations and the Act.
- (d) “**Board of Director**” or **Board**” means Board of Directors of the Company.
- (e) “**Company**” mean “SpiceJet Limited”.
- (f) “**Key Managerial Personnel (KMP)**” means key managerial personnel as defined under the Act, viz
 - (i) Chief Executive Officer or the Managing Director or
 - (ii) the Manager;
 - (iii) Company Secretary;
 - (iv) Whole Time Director;
 - (v) Chief Financial Officer; and
 - (vi) Such other officer as may be prescribed
- (g) “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any

amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

- (h) **“Material Related Party Transaction”** means transaction(s) to be entered into individually or taken together with previous transactions during a financial year, which exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or exceeds the thresholds as defined under the Act.
- (i) **“Ordinary Course of Business”** means the normal 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 Memorandum and 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.
- (j) **“Policy”** means this Policy, as amended from time to time.
- (k) **“Related Party”** in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Act or the Listing Regulations as amended from time to time and includes the following:
- (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 is a member or director
 - (v) a public company in which a director or manager is a director or holds along with his Relatives, more than two per cent 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;
 - (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act
 - (viii) any company which is
 - a holding, subsidiary or an associate company of such company or
 - a subsidiary of a holding company to which it is also a subsidiary
 - (ix) a director or Key Managerial Personnel of the holding company or his Relative
 - (x) an entity is related party under the applicable accounting standard
- (l) **“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 a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract or otherwise.
- (m) **“Relative”** means relative as defined under sub-section 2(77) of the Act and rules prescribed there under viz.
- (i) They are members of a Hindu Undivided Family
 - (ii) They are husband and wife
 - (iii) Father (including step-father)
 - (iv) mother (including step-mother)
 - (v) Son (including step-son)
 - (vi) Son’s wife
 - (vii) Daughter

- (viii) Daughter's husband
- (ix) Brother (including step-brother)
- (x) Sister (including step-sister)

4. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

- (a) Every Director and Key Managerial Personnel of the Company is responsible for providing notice to the Audit Committee/Board, of any potential Related Party Transaction involving him, his Relative, including any additional information about the transaction that the Audit Committee/Board may reasonably request. The Audit Committee/Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- (b) All Directors are required to declare and disclose their concerns or interests in any company or body corporate or entity at the first Board Meeting in every financial year and subsequently whenever there is any change in disclosures. In addition, the Directors shall ensure that any business transactions entered between the Company and Directors shall comply with terms of this Policy.
- (c) The Company prefers to receive such notice of any potential Related Party Transaction well in advance such that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

- (a) The Audit Committee may to approve only Related Party Transactions which are at arm's length and in Ordinary Course of Business.
- (b) In case, there are any Related Party Transaction which are not at arm's length or which are not in Ordinary Course of Business, the Company shall follow procedure as mentioned hereunder:
 - (i) The management shall present the following information to the Audit Committee and Board of Directors for approval:
 - the name of the Related Party and nature of relationship
 - the nature, duration of the contract and particulars of the contract or arrangement
 - the material terms of the contract or arrangement including the value, if any
 - any advance paid or received for the contract or arrangement, if any
 - the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract
 - whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors and
 - any other information relevant or important to take a decision on the proposed transaction.
 - (ii) After reviewing such information, the Audit Committee and Board of Directors (without the participation of the interested members, if any) shall approve or disapprove such Related Party Transaction.

- (iii) In addition to above, for all Material Related Party Transaction, the Company shall also seek prior approval of shareholders as per Section 188 of the Act and Listing Regulations (where the Related Party shall abstain from voting on such resolution whether the entity is a Related Party to the particular transaction or not).
- (c) The Audit Committee may grant omnibus approval for such Related Party Transactions which are unforeseen and repetitive in nature provided that the validity of such transactions is upto one year and the value does not exceed Rs.1 crore per transaction. The details of Related Party Transactions entered into by the Company pursuant to omnibus approvals shall be placed before the Audit Committee on quarterly basis.
- (d) Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or shareholders:
 - (i) Any transaction that involves paying of compensation to Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries (if any) or associates, including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business.
 - (ii) 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 benefit pro rata as the Related Party.

6. RELATED PARTY TRANSACTION 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 (including reasons of failure to report such transaction) and evaluate all options available to the Company including ratification, revision or termination of the Related Party Transaction.

7. POLICY REVIEW

The Audit Committee review this Policy from time to time and recommend any changes to the Board for approval.