

RELATED PARTY TRANSACTION POLICY

1) Introduction:

The Board of Directors (the Board) of “Goenka Business & Finance Limited” (the Company) has adopted this policy and procedures with regards to Related Party Transaction in line with the requirement of Section 188 of the Companies Act, 2013 read with rules made there under and revised clause 49 of the Listing Agreement. Clause 49 (VII) (C) of the Listing Agreement requires to formulate a policy on materiality of Related Party Transaction and dealing with Related Party Transaction. The Board may review and amend the policy from time to time.

2) Purpose of this policy:

A. Goenka Business & Finance Limited (“GBFL” or “Company”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

B. Accordingly, the Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (“Policy”). This Policy regulates all transactions between the Company and its Related Parties (as defined below).

C. The Audit Committee will review the Policy periodically and may amend the same from time to time and propose the same to the Board for approval.

3) Key Definitions:

“Board of Directors” or “Board”

“Board of Directors” or “Board” in relation to a Company, means the Collective Body of the Directors of the Company

“Audit Committee”

“Audit Committee” means a Committee constituted under the provisions of Section 177 Companies Act, 2013 and Clause 49 of the Listing Agreement



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“Key Managerial Person”

“Key Managerial Person” in relation to a Company, means;

- i) The Chief Executive Officer or the Managing Director or the Manager;
- ii) The Company Secretary;
- iii) The whole - time Director;
- iv) The Chief Financial Officer;
- v) Such other officers as may be prescribed under the Companies Act, 2013.

“Material Related Party Transaction” – As per clause 49 of Listing Agreement

The transaction with the “Related Party” shall be considered material if the transaction/ transactions to be entered in to individually or taken together with previous transactions during a Financial Year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial Statements of the Company.

“Related Party”

Related Party shall have the same meaning as defined under sec 2(76) of the Companies Act, 2013 or related party under applicable accounting standard.

“Related Party Transaction” as per Companies Act, 2013

“Related Party Transaction” shall have the same meaning as defined under Sec 188 (1) of the Companies Act, 2013

“Related Party Transaction” as per Listing Agreement

“Related Party Transaction means, any transaction involving any transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged.

Thus Related Party Transaction refers to related party transaction as per Companies Act, 2013 as well as the Listing Agreement.



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4) Review and approval of Related Party Transaction

Approval of related party transactions

i. Audit Committee

4.i.a. All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

4.i.b. Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

4.i.c. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under clause 49 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

4.i.d. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

4.i.e. A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.



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ii. Board of Directors

4.ii.a. In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, 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 transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

iii. Shareholders

4.iii.a. If a related party transaction is (i) a material transaction as per clause 49, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a related party, shall not vote on resolution passed for approving such related party transaction.

iv. Reporting of related party transactions

4.iv.a. Every contract or arrangement, which is required to be approved by the Board/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

5) Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy

