



GANESH BENZOPLAST LIMITED

RELATED PARTY TRANSACTION POLICY



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[Under Section 188 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Preamble:

The Board of Directors (the “Board”) of Ganesh Benzoplast Ltd (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the manner of dealing with Related Party Transactions (“Policy”) in terms of Section 188 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended upto date.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Objective:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

3. Definitions:

“Arm’s Length Transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

“Related Party” have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.

"Related Party Transaction" have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended, transfer of resources, services or obligations between a listed entity and a related party, regardless of whether 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, including but not limited to the following –

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;



- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. appointment to any office or place of profit in the company
- g. underwriting the subscription of any securities or derivatives thereof, of the company.

“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% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. In case of payment to a Related Party for brand usage or royalty the materiality threshold will be 2% (two percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company “

“Key Managerial Personnel” or “KMP” shall have the meaning as defined in the Companies Act 2013 and as amended from time to time.

4. **Thresholds Limits for Material Related Party Transactions**

Regulation 23(1) of SEBI Regulations, 2015 requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of an Ordinary Resolution.

The Company has fixed its materiality threshold at 10% of the annual consolidated turnover as per last audited financial statements of the Company, which is in line with the limits presently prescribed in SEBI Regulations, 2015.

Accordingly, all transactions with related party shall be considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceed 10% of the annual consolidated turnover of the Company, based on the last audited financial statements. Thus all transactions with related parties beyond the materiality threshold limit, as laid down above would be placed before the shareholders for approval, irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm's length.

For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

In addition to the above, all below mentioned kinds of transactions as specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the threshold limits laid down in Companies (Meetings of Board and its Powers) Rules, 2014, would be placed before the shareholders for their approval.



S. No	Transaction or Contract or Arrangement with Related Party	Threshold limit
1	sale, purchase or supply of any goods or materials directly or through appointment of agent	exceeding ten per cent. of the turnover of the company or rupees one hundred crore whichever is lower
2	selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	exceeding ten per cent. of the turnover of the company or rupees one hundred crore whichever is lower
3	leasing of property of any kind	exceeding ten per cent. of the turnover of the company or rupees one hundred crore whichever is lower
4	availing or rendering of any services directly or through appointment of agent	exceeding ten per cent. of the turnover of the company or rupees one hundred crore whichever is lower
5	appointment to any office or place of profit in the company, its subsidiary company or associate company	at a monthly remuneration exceeding Rs. 250,000
6	Remuneration for underwriting the subscription of any securities or derivatives thereof of the company	exceeding 1% of the net worth
7	Payment to a Related Party with respect to brand usage or royalty	2% of the annual consolidated turnover of the Company

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

5. Procedure for Approval of Related Party Transactions

5.1 Audit Committee Approval

All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Committee in accordance with this Policy. Every Related Party Transaction (RPT) shall be subject to the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;



- c) Such omnibus approval shall specify the following:
- Name(s) of the Related Party;
 - Nature of the transaction;
 - Period of transaction;
 - Maximum amount of transaction that can be entered into;
 - The indicative base price/current contracted price and the formula for variation in the price, if any, and;
 - Such other conditions as the Audit Committee may deem fit.
- d) The Audit committee shall review, at least on a quarterly basis, the details of Related party transactions entered into by the Company pursuant to each of the omnibus approval given;
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- a) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

5.2 Board's Approval

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval.
- d) Transactions meeting the materiality thresholds laid down in Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.



5.3 Shareholders' Approval

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 4 of the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' approval for Material Related Party Transactions shall not be applicable for the following cases:

- 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.
- transactions entered into between the company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

6. Disclosures Requirements

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 4 of the Policy above) on a quarterly basis to the stock exchange.

The Policy shall also be disclosed on the website of the Company.



7. Related Party Transactions not Approved Under This Policy

In the event the Company becomes aware of a Related Party Transaction that has not been approved by the Committee, the matter shall be reviewed subsequently by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall examine the facts and circumstances pertaining to the failure of reporting of such Related Party Transaction to the Committee and shall take any such action it deems appropriate.

8. Ratification of the Un-Approved Transactions

If any contract or arrangement is entered into by the Director or any other employee with any related party without obtaining the consent of the Board or shareholders as the case may be. The transaction shall be ratified by the Board/Shareholders at meeting within three (3) months from the date of entering into contract or arrangement.

If the transaction is not ratified within the said time period, then it shall be voidable at the option of the Board. If the contract or arrangement is with related party to any director or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction

9. AMENDNMENT

The Board may as it deems fit amend the policy from time to time. In any case, if there is a contradiction between the policy and the law in force, then the Law shall supersede the policy.