GANGES SECURITIES LIMITED

POLICY ON RELATED PARTY TRANSACTION(S)

1. INTRODUCTION

The Board of Directors (the "Board") of **GANGES SECURITIES LIMITED** (the "Company"), has adopted the following policy and procedures with regard to materiality of related party transactions and on dealing with related party transactions as defined below w.e.f. 30 March 2017 incompliance with the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee of the Board of Directors will review the policy from time to time and recommend such changes therein as deemed necessary after appropriate deliberation. The Board may amend this policy suo moto, or on recommendations of the Audit Committee from time to time. This policy shall regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company. This amended Policy is effective from April 1, 2019 as well as subsequent amendment(s) from time to time.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, the Policy on Related Party Transaction(s) has been amended effective from 1st April, 2022.

The related party transactions are regulated by the Companies Act, 2013, the Rules framed thereunder and the Listing Regulations (collectively referred to as "Statutory Provisions"). In case any provisions of this policy are contrary to or inconsistent with the Statutory Provisions, the Statutory Provisions shall prevail.

2. DEFINITIONS

In this Policy, unless the context otherwise requires:

2.1. **"Act"** means the Companies Act, 2013 or any statutory modification or re- enactment thereof.

2.2. **"Arm's length price"**, would have the meaning as defined by the Companies Act 2013, and rules made there under and judicial and other pronouncements, as applicable from time to time and shall means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.

2.3. **"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.

2.4. **"Audit Committee"** means the committee of Board of Directors constituted in pursuance of Section 177 of the Act and Regulation 18 of Listing Regulations.

2.5. "Board" means the Board of Directors of the Company.

2.6. **"Beneficial Interest"** means "beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to—

(i) exercise or cause to be exercised any or all of the rights attached to such share; or

(ii) receive or participate in any dividend or other distribution in respect of such share".

2.7. **"Company"** means Ganges Securities Limited.

2.8. **"Key Managerial Personnel"** means the person(s) appointed as such in pursuance of Section 203 read with Section 2(51) of the Act.

2.9. **"Listing Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

2.10. "**Material Modifications**" shall be defined by the Audit Committee. The audit committee may, from time to time, lay thresholds or criteria for treating a modification as material, if there is a modification in the terms and conditions of any ongoing RPT, as originally approved by the audit committee and/ or shareholders, having a significant impact on the nature, value, tenure, exposure or likely financial impact of such a transaction.

2.11. **"Material Related Party"** means a transaction with a Related Party Transaction shall be considered material if the transaction or transactions to be entered into individually or taken together with previous transaction(s) 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 of the Company, whichever is lower.

Notwithstanding the above, 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 individually or taken together with previous transaction(s) during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financialstatements of the Company.

2.12. **"Ordinary course of business"** would have the meaning as defined by the Companies Act 2013, and rules made there under and judicial and other pronouncements, as

applicable from time to time and shall mean & include the habit system and continuity of an act required to satisfy the test of regular or ordinary course of business.

2.13. **"Promoter"** and **"Promoter Group"** shall the respective meanings as assigned to them in the Listing Regulations.

2.14. **"Related Party"** means a related party as defined under Section 2(76) of the Act or under the applicable accounting standards and shall include w.e.f April 1, 2022:

a. any person or any entity forming a part of the promoter or promoter group of the Company; or
b. any person or any entity, holding equity shares of 20% or more in the Company either directly or on a beneficial interest basis as per Section 89 of the Companies Act, 2013 at any time during the immediate preceding financial year.

With effect from April 1, 2023:

Any person or any entity, holding equity shares of 10% or more in the Company either directly or on a beneficial interest basis as per Section 89 of the Companies Act, 2013 at any time during the immediate preceding financial year.

2.15. **"Related Party Transaction"** (RPT)- W.e.f April 1, 2022 means a transaction involving a transfer of resources, services or obligations between:

i the Company with its related party;
ii the Company with the related party of its subsidiary;
iii Subsidiary of the Company with the related party of the Company;
iv Subsidiary with its own related party;
v Subsidiary with the related party of other subsidiary.

With effect from April 1, 2023:

following transactions will also be considered as related party transactions:

i Company with any unrelated party,
ii Subsidiary of Company with any unrelated party

the purpose and effect of which is to benefit a related party of the listed entity or its subsidiaries.

However, the following transactions will be exempted from the definition of RPT

a) Issue of specified securities on a preferential basis, subject to compliance of ICDR Regulations;
b) Corporate actions which are uniformly applicable/ offered to all the shareholders in proportion to their shareholding:
   (i) payment of dividend,
   (ii) subdivision or consolidation of securities.
   (iii) issuance of securities by way of a rights issue or a bonus issue; and

(iv) buy-back of securities.

2.16. **"Responsibility Officer"** means the Chief Financial Officer (CFO) of the Company for the time being, wherein, the Board may, where it considered necessary so to do, appoint other officers as it may consider proper as such Responsibility Officer.

2.17. **"Rules"** means the Rules framed under the Act, as amended from time to time. All terms not defined herein shall take their meaning from the applicable laws.

3. PROCEDURE

3.1. The Responsibility Officer shall at all times:

i. Identify and keep on record list of Company's Related Parties, along with their requisite details.

ii. The Responsibility Officer shall identify such functional heads, departmental heads and such other employees (Designated Employees) who are responsible for entering into contracts/ arrangements/ agreements with entities for and on behalf of the Company and circulate the list of Related Parties to all such Designated Employees of the Company along with the approval thresholds for entering into transactions with such listed Related Parties.

iii. The Responsibility Officer shall also set down the mechanism for reporting of such transactions proposed to be entered or entered with related parties by such Designated Employees as specified in (b) above.

iv. The record of Related Parties shall be updated whenever necessary and shallbe reviewed at least once in every six months.

v. With regard to low value Transactions (all transactions with Related Parties below value of Rs. 1 (one) crore per transaction), internal systems may be created to ensure that the Designated Employees approving the transactions are not related to the contracting parties and alternative approving authorities are put in place.

vi. The Responsibility Officer shall be responsible for implementation and monitoring of the Company's RPT Policy at all times and submit a quarterly/annually report/statement of the same to the Audit Committee for review.

3.2. Identification of Potential Related Party & Related Party Transaction

On the basis of the disclosures made by Directors and Key Managerial Personnel, the Company shall compile the list of Related Parties. Such list shall be updated based on

the disclosures received from the Directors and Key Managerial Personnel from time to time.

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information

about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

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

3.3. Review and approval of Related Party Transactions

3.3.1. All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee. It is clarified that any modification/ renewal of an existing Related Party Transaction shall also require approval of Audit Committee in the manner mentioned above.

3.3.2. Any Related Party Transaction entered into by the subsidiary of which the Company is not a party will require prior approval of the audit committee, if the same is in excess of the following threshold:

a. The value of Related Party Transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company;

b. W.e.f. April 1, 2023, the value of RPT whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover of the subsidiary.

3.3.3. The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions.

Such omnibus approval shall be subject to the following conditions:-

a) The proposed Related Party Transaction(s) is/are repetitive in nature and the Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company;

b) The maximum value of the transaction(s), in aggregate, which can be allowed

under the omnibus route in a year shall not exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements. Further, the maximum value per transaction which can be allowed under the omnibus route shall not exceed 5% of annual consolidated turnover of the Company as per the last audited financial statements.

c) Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that shall be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to the transaction value not exceeding Rs.1 crore per transaction.

d) Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each omnibus approval.

e) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one year.

f) Omnibus approval shall not be made for the following:

(i) transaction(s) in respect of selling or disposing off the undertaking of the Company; and

(ii) transaction(s) with respect to brand usage or royalty payments.

3.3.4. The information in respect of proposed Related Party Transactions along with complete details should be submitted by the concerned departments / divisions of the Company to the Responsibility Officer well in advance.

3.3.5. The Responsibility Officer shall review the information and details of the proposed Related Party Transaction and prepare a detailed note containing background information, comparative details of similar transactions with other parties, if any, and whether the proposed Related Party Transaction is on an arm's length basis and in the ordinary course of business along with justification thereof. The note so prepared by the Responsibility Officer shall be circulated to the Audit Committee members for their approval of the concerned Related Party Transaction.

While assessing the proposal, the Audit Committee may seek such informations/supporting documents or get clarifications, as it may consider necessary.

3.3.6. Each Material Related Party Transaction and subsequent material modifications shall require prior approval of the Board and shareholders of the Company, in accordance with the relevant provisions of the Listing Regulations, the Act or the Rules, as may be applicable.

3.3.7. A contract, arrangement or transaction with Related Party as specified under the provision of section 188 (1) of the Act is either 'not on an arm's length basis' or 'not in the ordinary course of business' ("Specified RPT"), shall also require approval of Board of Directors of the Company. Further, subject to the provisions of the Act and Rules, the following Specified RPTs shall require approval of the shareholders of the Company by a resolution:

a) Sale, purchase or supply of any goods or materials, directly or through appointment of agent amounting to ten per cent or more of the turnover of the Company as mentioned in clause (a) and clause (e) respectively of sub section (1) of section 188 of the Act;

b) Contract or arrangement in respect of remuneration for underwriting the subscription of any securities or derivatives thereof of the Company exceeding one percent of net worth of the Company.- as mentioned in clause (g) of sub section (1) of section 188 of the Act;

c) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent amounting to ten percent or more of the net worth of the Company as mentioned in clause (b) and clause (e) respectively of sub section (1) of section 188 of the Act;

d) Leasing of property of any kind amounting to ten per cent of turnover of the Company as mentioned in clause (c) of sub section (1) of section 188 of the Act;

e) Availing or rendering of any services, directly or through appointment of agent amounting to ten per cent or more of the turnover of the Company as mentioned in clause (d) and clause (e) respectively of sub section (1) of section 188 of the Act;

f) Appointment to any office or place of profit in the Company, its subsidiary company

or associate company at a monthly remuneration exceeding Rs. 2,50,000 (Rupees two lakh fifty thousand only); as mentioned in clause (f) of sub section (1) of section 188 of the Act; or

Provided that the requirement of passing the shareholder's resolution as mentioned above shall not be applicable for transaction(s) 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 meetingfor approval.

3.3.8. In the event the Audit Committee decides to put up a Related Party Transaction before the Board, or if the Board suo-moto elects to review any Related Party Transaction or if a Related Party Transaction is required to be approved by the Board of Directors in pursuance of the Act, Rules or Listing Regulations, the process set forth in this clause 3 shall apply mutatis-mutandis for approval of such Related Party Transaction by the Board of Directors, subject to such exceptions as may be necessary or appropriate under the circumstances.

3.3.9. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

4. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THE POLICY

In case the Audit Committee becomes aware of any Related Party Transaction that has not been approved under the Policy, the matter shall be reviewed by the Audit Committee. The Audit 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 Audit Committee may examine the facts and circumstances of the case and take such action as it may deems appropriate. In the event the Committee decides to ratify the contract or arrangement, such contract or arrangement must be ratified within three months from the date on which the contract or arrangement has been entered into by the Board or the Shareholders as the case may be.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, in so far as the same are not in conflict with the provisions of the Listing Regulations in force (as amended from time time):

a. Any transaction entered into between the company and its wholly owned

subsidiary, if any, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

b. Any transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

c. Any transaction arising out of compromise, arrangement and amalgamation dealt with under specific provisions of the Act.

5. DISCLOSURE OF RELATED PARTY TRANSACTIONS

5.1 The particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under the Listing Regulations, the Act and Rules.

5.2. The particulars of Related Party Transactions should be entered in the register(s) maintained under the Act, wherever applicable.

5.3 The Company shall host this Policy on its website and a web-link thereto shall be provided in the Annual Report of the Company.

6. AMENDMENT

This Policy can be amended, modified, or revised from time to time and if there is no bar under the Listing Regulations or the Act, then the same can be abrogated by the Board of Directors of the Company, except that the same shall be reviewed once in every three years and updated accordingly.

7. REGISTER

The Company shall maintain registers of related party transaction(s) in Form MBP4 or such other Form as may be prescribed.

8. INTERPRETATION

In any circumstance where the terms of this policy differs from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.