



Related Party Transaction Policy

For GeeCee Ventures Limited

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Related Party Transaction Policy
(Effective from 1st October, 2014)
(Revised on 22nd May, 2019)



POLICY ON
RELATED PARTY TRANSACTION

1. PREAMBLE

GeeCee Ventures Limited (the Company) has always been committed to good corporate governance practices. As a matter of practice, the Company follows arm's length basis in transacting business with related party which are in ordinary course of business. The Board of Directors (the "Board") of GeeCee, has adopted the following policy and procedures with regard to Related Party Transactions upon recommendation of Audit Committee. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company. The said policy includes materiality thresholds and the manner in dealing with the Related Party Transaction (RPT) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee will review and may amend this policy from time to time.

2. PURPOSE

This policy is framed as per mandatory requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) entered by the Company with Stock Exchanges which requires formulation of policy on materiality of Related Party Transaction and also intends to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties. This Policy has been adopted by the Board of Directors of the Company based on the recommendations of Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.



3. DEFINITIONS

“**Act**” means The Companies Act, 2013, together with the rules notified thereunder including any statutory modifications, amendments, clarification, circulars or re-enactments thereof for the time being in force (hereinafter referred to as “Act”).

“**Accounting Standards**” means the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.

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

“**Associate Company**” means a Company as defined in Section 2(6) of the Companies Act, 2013.

“**Audit Committee**” means a Committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the SEBI LODR and Section 177 of the Act and other applicable rules thereunder.

“**Board of Directors**” in relation to a Company means the collective body of the directors of the Company constituted in accordance with the provisions of SEBI LODR and the Act.

“**Control**” shall have the same meaning as defined in Section 2(27) of the Act and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Key Managerial Personnel**” means a key managerial personnel as defined under Section 2(51) of the Companies Act, 2013.

“**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% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

“**Policy**” means current policy on Related Party Transaction Policy, including amendments, if any, from time to time.

“**Related Party**” is a person or an entity which is:

- i.) a related party under Section 2(76) of the Act;
- ii.) a related party under the applicable Accounting Standards;
- iii.) any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company.

“**Relative**” means as defined in Section 2(77) of the Companies Act, 2013 and also as per Rule 3 of the Companies (Specification of Definition Details) Rules, 2014.

“Related Party Transaction” have the meaning as defined under Regulation 2 (1) (zc) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as means 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 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 of any office or place of profit in the Company
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

“Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as “SEBI LODR Regulations”).

“Subsidiary Company” means a company as defined under section 2(87) of the Companies Act, 2013.

4. MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to a particular transaction or not. The Company has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company for the purpose of Regulation 23 (4) of the SEBI Listing Regulations.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

5.1 Identification of Potential Related Party Transactions

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 Board/Audit Committee may delegate such powers to the officer(s) of the Company as it deems fit.

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.

5.2 Procedure for approval of Related Party Transactions

The Company shall not enter into any Related Party Transaction except as stated hereinafter.

5.2.1 Transactions requiring approval of Audit Committee:

5.2.2 All Related Party Transactions shall require prior approval of the Audit Committee.

5.2.3 The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions namely:

- i.) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of repetitive transactions.
 - ii.) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
 - iii.) The criteria for granting the omnibus approval in line with the policy shall include the following namely:
 - a) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - b) The maximum value per transaction which can be allowed;
 - c) extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
 - d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
 - e) transactions which cannot be subject to the omnibus approval by the Audit Committee
 - iv.) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - i. repetitiveness of the transactions (in past or future);
 - ii. Justification for the need of omnibus approval
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- v.) Such omnibus approval shall specify the information with respect to actual or potential related party transaction which includes:
- a) the name/s of the related party;
 - b) nature of transaction;
 - c) period of transaction;
 - d) maximum amount of transaction that can be entered into;
 - e) the indicative base price/ current contracted price & formula for variation in the price, if any;
 - f) 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 their value not exceeding Rs. 1 Crore per transaction. Audit Committee shall review, at least on a quarterly basis, the details of RPT's entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

- vi.) While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.
- vii.) The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company
- viii.) Any member of the Audit Committee falling under the definition of related parties shall not vote to approve the relevant transactions irrespective of whether the member is a party to the particular transaction or not.

5.2.6 Transactions requiring approval of Board:

The following transactions shall require a prior approval of the Board:

- i.) Related party transactions which are not in the ordinary course of business or not at arm's length price;
- ii.) Material related party transactions.

Any member of the Board of Directors falling under the definition of related party shall not vote to approve the relevant transactions irrespective of whether the member is a party to the particular transaction or not. In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which 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;
- 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;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval;
- Transactions which are viewed to be in the ordinary course of business and at arm's length basis by the Management, but which are also tabled to the Board for its approval from an improved governance perspective; and
- Transactions meeting the materiality thresholds laid down in Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

5.2.7 Transactions requiring approval of Shareholders of the Company:

- i.) All Material Related Party Transactions shall require approval of the Shareholders of the Company by way of a resolution passed at the general meeting of the Company; and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- ii.) All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution passed at the general meeting of the Company; and in such cases, the Related Party/ (ies) to the transaction shall abstain from voting on such resolution.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- i.) In the event the Company becomes aware of a related party transaction that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Audit Committee.
- ii.) The Audit Committee shall consider all of 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 related party transaction.
- iii.) The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Committee under this policy and failure of the internal control systems, and shall take any such action as it deems appropriate.
- iv.) In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc

- v.) In connection with any review/ approval of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this policy.
- vi.) The provisions of this policy shall not be applicable to 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.

7. DISCLOSURES REQUIREMENTS

- i.) 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.
- ii.) 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 exchanges.
- iii.) The Company shall submit with 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.
- iv.) Disclosures shall also be made in the Annual Report as specified under the Act and Schedule V of the SEBI LODR, including any amendments made from time to time.
- v.) This policy shall be uploaded on the website of the company i.e. www.geeceeventures.com and a web link thereto shall be provided in the Board's Report.



8. LIMITATION/AMENDMENT & REVIEW OF POLICY

8.1 In the event of any conflict between the provisions of this policy and of the Act or SEBI LODR or any other statutory requirements, rules, regulations, enactments, the provisions of such Act or SEBI LODR or any other statutory requirements, rules, regulations, enactments, the provisions shall prevail over this policy.

8.2 Any subsequent amendment/modification in SEBI LODR, Act and/ or applicable laws in this regard shall automatically apply to this policy.

8.3 The Audit Committee shall review the Policy at least once in three years for making suitable amendments for better implementation of the Policy.

The above policy was reviewed and approved by the Board of Directors at its meeting held on 22nd May, 2019.