



Growth, Wealth, Success

U. Y. Fincorp Limited

(Formerly Known as Golden Goenka Fincorp Limited)

POLICY ON RELATED PARTY TRANSACTIONS

This “**U. Y. - Policy on Related Party Transactions**” has been adopted by the Board of Directors of the Company at its meeting held on 28th March, 2019 and supersedes the earlier policy approved by the Board of Directors at their meeting held on 12th November, 2014.

1. PURPOSE AND SCOPE:

The Board of Directors (the “Board”) of U. Y. Fincorp Limited (the “Company” or “UYFL”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company.

2. PURPOSE

This policy is framed as per requirement of SEBI (LODR) Regulations, 2015 (Listing Regulations) by the Company 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. The Board may amend this policy from time to time as may be required.

The Audit Committee of Directors (“Audit Committee”), shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated there under and Listing Regulations and must be approved in the manner as may be decided by the Board of Directors.

3. APPLICABILITY AND EFFECTIVE DATE

This Policy will be applicable to the Company with effect from 1st October 2014 to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

4. DEFINITIONS

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.



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“Board” means Board of Directors of the Company.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- i. Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- ii. Company Secretary; and
- iii. Chief Financial Officer

“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 ten percent of the consolidated annual turnover of the company as per the last audited financial statements of the company

“Policy” means Related Party Transactions Policy.

“Related Party” means related party as defined in Listing Regulations which is as follows:

(i) An entity shall be considered as related party to the company if:

- i. Such entity is a related party under Section 2(76) of the Companies Act, 2013 or
- ii. Such entity is related party under the applicable accounting standard

(ii) A related party under Section 2(76) of the Companies Act, 2013 which are as follows:

- 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 and holds along with his relatives, more than two per cent of its paid-up share capital ;
- vi. any body corporate who’s 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 under whose advice, directions or instructions a director or manager is accustomed to act:



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Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

a. any company which is -

- (A) a holding, subsidiary or an associate company of such company ; or
- (B) a subsidiary of a holding company to which it is also a subsidiary ;

b. Director other than independent director or key managerial personnel of the holding company or his relative with reference to a company; or

“Related Party Transaction” means any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. A transaction with a related party shall be considered to include single transaction or a group of transaction in a contract.

“Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if -

- i. They are members of a Hindu undivided family ;
- ii. They are husband and wife ; or
- 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)

5. POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

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.



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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. PROHIBITIONS RELATED TO RELATED PARTY TRANSACTIONS

- (i) All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:
- 1) The Audit Committee shall lay down the criteria for granting the 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;
 - 2) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - 3) Such omnibus approval shall specify (a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (b) the indicative base price / current contracted price and the formula for variation in the price if any and (c) 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 Rupees one crore per transaction;
- 4) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given;
 - 5) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- (ii) Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and 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.
- (iii) All existing material related party contracts or arrangements which are likely to continue beyond 31 March, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to 01 October, 2014.



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5.3. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Any proposed Related Party Transaction will be referred to the next regularly scheduled meeting of Audit Committee for review and approval.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee may consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- i) Whether there are any compelling business reasons for the Company to enter into the Related
- ii) Party Transaction and the nature of alternative transactions, if any;
- iii) Whether the Related Party Transaction would affect the independence of an independent director;
- iv) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- v) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- vi) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

Notwithstanding the foregoing, the following Material Related Party Transactions shall not require approval of Audit Committee or Shareholders:

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



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6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The 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. 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 shall take any such action it deems appropriate.

7. AMENDMENT IN LAW

Any subsequent amendment/ modification in the Listing Regulations and/ or applicable laws in this regard shall automatically apply to this Policy.

8. DISCLOSURES

8.1 Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

8.2 The policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.

8.3 This Policy will be communicated to all operational employees and other concerned persons of the Company.

9. DISSEMINATION

Pursuant to Listing Regulations, this Policy and any amendment thereto shall be posted on the website of the Company and a web link thereto shall be provided in the Annual Report.

Date: 28.03.2019

Place: Kolkata

**By order of Board
Sd/-
(Udai Kothari)
Chairman**