

G. G. DANDEKAR PROPERTIES LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

I. INTRODUCTION

The Board of Directors (the Board) of G. G. Dandekar Properties Limited [formerly known as G. G. Dandekar Machine Works Limited] (Company) has adopted this Policy on Related Party Transactions (the Policy) in compliance with the requirements of Section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof (Listing Regulations)

The policy was amended and approved by the Board of Directors of the Company on 9.11.2023 and earlier amended and approved on 15.06.2020 effective from 15.06.2020.

This Policy will apply to the Company with effect from 9.11.2023.

II. DEFINITIONS

1. “Related Party” means a party which is defined under the provisions of Section 2(76) of the Companies Act, 2013 and rules thereof and under the Listing Regulations.
2. “Related Party Transaction” shall have meaning as defined under the Companies Act, 2013, and Listing Regulations as may be amended from time to time.
4. “Arm’s length transaction” as defined under Section 188 (1) of the Companies Act; 2013, shall mean a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.
5. “Material Related Party Transaction” means a transaction /transaction to be entered into with the related party, individually or taken together with previous transactions during Financial Year exceeds rupees one thousand crore or 10 % of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.
6. “Subsequent Material Modifications to approved Related Party Transaction” means (+)/(-) 20% impact on the consideration due to any change/variation in the terms as compared to earlier approved related party transaction(s).
7. “Subsidiary Company” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 excluding the listed subsidiary, if regulation 23 and sub-regulation (2) of regulation 15 of Listing Regulations are applicable to such listed subsidiary.

With the consent of the Chairman of the Company any further amendment to definitions as per provisions of the Companies Act, 2013 and SEBI Listing Regulations, to be modified.

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Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Listing Regulations, Securities Contract Regulation Act, or any other law or regulation as applicable to the Company.

III. PROCEDURE

Disclosures by Directors

1. Every director of the Company shall at the first meeting of the Board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals as prescribed under the Companies Act, 2013, to the Company.
2. Where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he/she shall, if he/she becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he/she becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

Disclosures by Key Managerial Personnel (KMP)

3. Every Key Managerial Personnel shall within 30 days of his / her appointment, disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals as prescribed under the Companies Act, 2013, to the Company

Identification of transactions with Related Parties

4. The Company Secretary/ Chief Financial Officer shall circulate a list of identified Related Parties to the employees after any change in the list of Related Parties already circulated.
5. Prior to entering into any type of transaction with a Related Party, such transaction will be reported to the Company Secretary and Chief Financial Officer by concerned employees along with all relevant documents like comparable quotations, invoices, or other certificates and other factors justifying the transaction.
6. The Company Secretary and Chief Financial Officer to analyze in consultation with

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the Management and with an outside consultant as may be appropriate, to determine whether the proposed transaction or relationship constitutes a Related Party Transaction and if the same requires any compliance under this Policy.

Information to be placed before the Audit Committee

7. Once the transaction is identified as a Related Party Transaction, all relevant details of transactions will be placed before the Audit Committee for its prior approval.
 - a) the name of the related party and nature of the relationship;
 - b) nature, duration, and particulars of the transaction or contract or arrangement;
 - c) the material terms of the transaction or contract or arrangement including the value, if any;
 - d) any advance paid or received for the contract or arrangement if any;
 - e) the manner of determining the pricing and other commercial terms;
 - f) whether all factors relevant to the transaction have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
 - g) evaluation certificate on ascertainment of Arm's length basis from an outside consultant if any and
 - h) such other information as prescribed under SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November 2022
 - i) any other information as may be prescribed by SEBI or other authorities from time to time and any other information relevant or important for the Audit Committee to decide on the proposed transaction.
 - j) any other information relevant or important for Review and approval of Related Party Transactions by Audit Committee.
8. All Related Party Transactions shall require prior approval of the Audit Committee. The approval of the Audit Committee may be granted by way of a Circular Resolution. The Audit Committee shall review the proposed Related Party Transaction considering such factors as it deems appropriate; including but not limited to the following:
 - a) Whether the proposed Related Party Transaction is in the ordinary course of business;
 - b) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
 - c) the business reasons for entering into the proposed Related Party Transaction and nature of alternative transaction if any;

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- d) the commercial reasonableness of the terms of the proposed Related Party Transaction;
- e) Significance of the Related Party Transaction to the Company;

9. The Audit Committee shall approve or disapprove the Related Party Transaction based on its review of aforesaid factors of the transaction and thereafter will inform its decision to the Board of Directors.

However, the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company. While granting the omnibus approval, the Audit Committee shall consider the following:

- i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions 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:

In cases 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 limits specified and conditions to be complied as prescribed by the Listing Regulations and Company Act, 2013 & rules thereunder, including amendments thereof.

The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

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

Review and approval of Related Party Transactions by Board of Directors

10. If the Audit Committee determines, the proposed Related Party Transaction is in the ordinary course of business and on Arm's length basis, the Board shall consider following factors while deliberating Related Party Transactions for its approval:
- a) Review of factors considered by the Audit Committee for its approval to the proposed Related Party Transaction
 - b) any other factor which Board deems relevant

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Based on the above factors, the Board will approve or disapprove the Related Party Transaction.

11. If the Audit Committee determines, the proposed Related Party Transaction is not in the ordinary course of business and/or not on Arm's length basis, the Board shall consider following factors while deliberating Related Party Transactions for its approval:
- Whether the proposed Related Party Transaction is within threshold as specified under Point no. III. 12. of this Policy.
 - Justification for entering into proposed Related Party Transaction
 - Any other factor which Board deems relevant

Based on the above factors, the Board will approve or disapprove the Related Party Transaction.

Review and approval of Related Party Transactions by Shareholders

12. In case of the following types of Related Party Transactions which are not in the ordinary course of business and not on arm's length basis and which also exceeds threshold limits as given hereunder will require the approval of shareholders by a special resolution.

Sr. no.	Category of Transaction	Threshold
1	Sale, purchase or supply of any goods or materials	10% of turnover
2	Selling or otherwise disposing of, or buying, property of any kind	10% of net worth
3	Leasing of property of any kind	10% of turnover
4	Availing or rendering of any services	10% of turnover
5	Such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company	At a monthly remuneration exceeding Rs 2.5 lakh
6	Underwriting the subscription of any securities or derivatives thereof, of the Company	1% of net worth

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(The Turnover or Net Worth referred above shall be computed on the basis of Audited Financial Statements of the preceding Financial Year)

Listing Regulations

13. All Material Related Party Transactions will require the approval of shareholders by passing special resolution as specified in the Listing Regulation.

Related Party Transactions of ongoing nature

14. If Related Party Transaction is of an ongoing nature, the Audit Committee and/or the Board of Directors shall periodically review and assess the ongoing relationship with Related Party and terms of transactions to see that they are in compliance with this Policy. Any amendment, renewal, or extension of transaction or arrangement or relationship previously reviewed under this Policy shall also be subject to subsequent review under this Policy.

Related Party Transactions which are not approved under this policy

15. In the event a Related Party Transaction has not been previously approved under this Policy, the Company Secretary to promptly notify the Audit Committee and Board of Directors. The matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 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 as it deems appropriate.

Interested Director / KMP / Shareholder not to participate

16. The Interested Director/KMP shall disclose the nature of his concern or interest at the meeting of the Board in which the Related Party Transaction is discussed and shall not participate in such meeting.

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17. No member of the Company shall vote on the special resolution, to approve any Related Party Transaction which may be entered into by the Company, if such member is a Related Party., nor shall he/she vote on the resolution relating to the Related Party Transaction.

IV. DISCLOSURE

1. Every Related Party Transaction entered into which is not in the ordinary course of business and/ or not on an arm's length basis, shall be disclosed in the Board's Report along with the justification for entering into such transaction.
2. All Related Party Transactions which are approved under Point no. III. 12. of this Policy shall be disclosed to the Stock Exchanges quarterly along with the Compliance Report on Corporate Governance.
3. All other disclosures in respect of Related Party Transactions to be complied as may be specified under the Companies Act, 2013, including rules thereof and Listing Regulations from time to time.

V. AMENDMENT

The Board reserves its right to amend or modify this policy in whole or in part, at any time, when it deems appropriate or in accordance with any amendments to the applicable provisions of the Companies Act, 2013, including Rules thereof and / or the provisions of the Listing Regulations.

For and on behalf of Board of Directors
of G. G. Dandekar Properties Limited
[Formerly known as "G. G. Dandekar Machine Works Limited"]

Sd/-

Pranav Deshpande

Executive Director

DIN: 06467549

Place: Pune

Date: 9th November 2023