

# **GOLDEN CREST EDUCATION & SERVICES LIMITED**

## **POLICY ON RELATED PARTY TRANSACTIONS**

### **INTRODUCTION:**

Companies should maintain an arm's length relationship in all transactions, including Related Party Transactions (RPTs) which are generally seen as an area of conflict of interest. Golden Crest Education & Services Limited ("Company") has been in compliance with various laws and regulations in this regard so far and ensure that such transactions are in the best interest of the Company and Stakeholders.

The Companies Act, 2013 (hereinafter known as "Act") and the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations") laid down provisions for dealing with Related Party Transactions. Additionally, the Listing Regulations specifies that the Company is required to formulate a Policy on materiality of related party transactions and also on dealing with Related Party Transactions and such policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

Therefore, this Policy regulates all transactions between the Company and the Related Parties. This Policy has been reviewed, updated and adopted by the Board of Directors of the Company in its meeting held on 25<sup>th</sup> October, 2024

### **DEFINITIONS:**

- (i) "Act" means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- (ii) "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.
- (iii) "Audit Committee" means Committee constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof.
- (iv) "Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.
- (v) "Control" has the same meaning as defined under Section 2(27) of the Act.
- (vi) "Deemed to be Related Party (ies)" means any person(s) and entity (ies) defined under Proviso of Regulation 2(1) (zb) of Listing Regulations.
- (vii) "Financial Year" shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.
- (viii) "Material Modifications" means any subsequent change to an existing related Party Transaction having a variance of 20% of previously approved related party transaction.
- (ix) "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 rupees one thousand crore or ten percent of the annual consolidated turnover of the

company as per the last audited financial statements of the company, whichever is lower.

- (x) “Office or place of profit” means any office or place—
- i. where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent free accommodation, or otherwise;
  - ii. where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent- free accommodation, or otherwise.
- (xi) “Policy” means this Policy on Related Party Transactions of the Company.
- (xii) “Relative” shall mean “relative” as defined in Section 2(77) of the Act read with Regulation 2(1)(zd) of Listing Regulations.
- (xiii) “Related Party/ies” shall mean a person(s) or an entity(ies) which is a related party under Section 2(76) of the Act read with Regulation 2(1)(zb) of Regulations or a related party under the applicable accounting standards to the Company.

“Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b) any person or any entity, holding equity shares:
  - i. of twenty per cent or more; or
  - ii. of ten per cent or more, with effect from April 1, 2023; in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party:”

(i) “Related Party Transactions” means

- specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Act;
- transaction involving a transfer of resources, services or obligations between:
  - i. a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
  - ii. a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;

- (xiv) “Stock Exchange(s)” means BSE Limited and Calcutta Stock Exchange Limited Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Regulations, as amended from time to time.

## **REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:**

Approval of related party transactions:

### **A. Audit Committee:**

- i) Prior approval of audit committee shall require for:
  - a) All the transactions which are identified as related party transactions and subsequent Material Modifications shall require prior approval of the Audit Committee before entering into such transaction.
  - b) RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company, as per the last audited financial statements of the Company
  - c) With effect from April 1, 2023, a related party transaction to which the Company's subsidiary is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of such subsidiary.
  - d) Prior approval of the audit committee of the Company shall not be required for RPTs where the subsidiary is listed entity.
- ii) Members of the audit committee, who are independent directors, shall only approve related party transactions. Any member of the Audit Committee who has a potential interest in any related party transaction will abstain himself/herself from discussion and voting on the approval of the related party transaction.
- iii) The Audit Committee may grant omnibus approval for related party subject to such criteria/conditions as mentioned under the provisions of Section 177 of the Act and Rules made thereunder and Regulation 23 of the Listing Regulations, as amended from time to time, and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one financial year.
- iv) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
  - (a) repetitiveness of the transactions (in the past or in the future);
  - (b) Justification for need of omnibus approval.
- v) The omnibus approval shall contain or indicate the following:
  - (a) name of the related parties, 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;

vi) A related party transaction entered into by the Company, which is not under the omnibus approval shall also be pre-approved by the Audit Committee of the Company.

#### **B. Board of Directors:**

Transaction under Section 188 of the Act which are not in the ordinary course of business or not at arm's length basis required approval of Board. In such case the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

If 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.

Approval of the Board for related party transactions is required to be taken at a Board meeting and cannot be taken through a resolution by circulation.

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board, such approval may be taken within three months from the date on which such contract or arrangement was entered into.

#### **C. Shareholders:**

If a related party transaction is

- (i) a material related party transaction and subsequent material modification, or
- (ii) transaction not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Act and the Rules made thereunder (as amended from time to time),

It shall require shareholders' prior approval by a resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

Prior approval of the Shareholders of the Company shall not be required for those RPTs where Company's listed subsidiary is a party but the Company is not a party.

The Company shall not enter into below transactions with related parties unless prior approval of the Shareholders of the Company is obtained by way of ordinary/special resolution passed at EGM/Postal Ballot (as applicable for the time being in force in accordance with the Act and Listing Regulations), which shall be subject to monetary ceilings specified therein:

<b>S.No</b>	<b>Nature of Transaction(s)</b>	<b>Monetary Ceiling year per related party</b>
1	Sale, purchase or supply of any goods or materials or services directly or through appointment of agent	amounting to ten percent or more of the turnover of the Company as per the last audited financial statements of the Company.
2	Selling or otherwise disposing of, or buying,	amounting to ten percent or more of net worth of the Company as per the

	property of any kind directly or through appointment of agent	last audited financial statements of the Company
3	Leasing of property of any kind	amounting to ten percent or more of the turnover of company as per the last audited financial statements of the Company
4	Availing or rendering of any services, directly or through appointment of agent	amounting to ten percent or more of the turnover of the Company as per the audited financial statements of the preceding financial year.
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 two and a half lacs rupees or as per performance assessment by the Company and industry standards
6	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company	exceeding one percent of the net worth of the Company as per the last audited financial statements of the Company
7	Other related Party Transactions in the normal course of business	Such other transactions as would be required approval of the Audit Committee and Board of Directors

Requirement of passing the shareholders resolution shall not be required for transactions entered into between a Company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

#### **CRITERIA FOR APPROVING RELATED PARTY TRANSACTIONS:**

All the Related Party Transactions with respect to certain transactions as mentioned vide Section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company, unless :

- (i) transactions entered into by the company are in its ordinary course of business; and
- (ii) transactions are at an arm's length basis.

#### **DISCLOSURES:**

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's Report to the shareholders along with the justification for entering into such contract or arrangement.

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

#### **SCOPE AND LIMITATIONS:**

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

**AMENDMENTS:**

This Policy (including threshold limits) shall be reviewed by the Board of Directors at least once every three years and/or as and when required subject to applicable laws and updated / amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary.

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