



GYSCOAL ALLOYS LIMITED

(CIN: L27209GJ1999PLC036656)

RELATED PARTY TRANSACTIONS–POLICY

(As approved by Board of Directors)

Preamble

The Board of Directors (the “Board”) of **GYSCOAL ALLOYS LIMITED** (the “Company”), adopts the following policy and procedures with regard to Related Party Transactions and Material Related Party Transactions in compliance with the requirements of in compliance with Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

The Audit Committee will review and may amend this policy from time to time.

1. 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 on the Company.

2. Purpose

This policy is framed as per requirement of Company Act 2013 & Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and intended 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.

3. Definitions

“**Policy**” means Related Party Transaction Policy.

“**Arm’s Length Transactions**” means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Related Party**” means related party as defined in Section 2(76) of Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.

“**Related Party Transaction**” means related party transaction as defined under regulation 2 (zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and includes transfer of resources, services or obligations between the company and a

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related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following 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. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

g. underwriting the subscription of any securities or derivatives thereof, of the company

"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;



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“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)

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, 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 into individually or taken together with previous transactions during a financial year, exceed Five percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.



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5. Review and Approval of Related Party Transactions

All Material Related Party Transactions and Related Party Transactions which are not the ordinary course of the Business and not on Arm's Length transaction. However, Related Party Transactions which are in ordinary course of business of the Company and on Arm's Length Price shall be periodically disclosed to the Audit Committee/Board.

➤ **Approval of Audit Committee**

All Related Party Transactions except which are entered in ordinary course of business and on arm's length price, will be referred to the regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction shall recuse himself or herself and abstains from discussion and voting on the approval of the Related Party Transaction.

Before approving such transactions, the Committee will look into the interest of the Company and its Stakeholders in carrying out the Transactions and on the benefits. The Committee may accordingly approve or modify such transactions, in accordance with this policy and/or recommend the same to the Board approval.

Omnibus Approval may be granted by the Audit Committee if Related Party Transactions are repetitive in nature and are in the interest of the Company.

In case the need for RPT cannot be foreseen and the other details are not available, an omnibus approval for such transactions, subject to their value not exceeding Rs. 1 crore for each of Related Parties.

➤ **Approval of Board of Directors**

The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and in compliance of Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Where any director is interested in any Related Party Transaction, such director will remain abstain from discussion and voting on subject matter of the resolution relating to such transactions.



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➤ **Prior approval of Members by means of special resolution**

Regulation 23 of the Listing Regulations requires a company to provide materiality thresholds for transactions beyond which the prior approval of the shareholders through a resolution will be required and no related party shall vote to approve such resolution(s) whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold of exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the company as per the last audited financial statements of the Company, whichever is lower for the purpose of Regulation 23(4) of the Listing Regulations.

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the above shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency Code, if any, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. Identification of Potential Related Party Transactions

(a) Each Director/Key Managerial Personnel is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Compliance Officer may reasonably request. The Compliance Officer in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

(b) Every director/ Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.

(c) Where any director/ Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.

(d) A contract or arrangement entered into by the company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any



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way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

(e) The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Compliance Officer has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances.

7. Exemptions

Nothing contained in this policy shall apply to any contract or arrangement which are

- A) in the ordinary course of its business; or
- B) at arms' length price.
 - between the Company and any other partner of the firm in which Director/ Manager/ Relative is a partner
 - services availed in a professional capacity from body corporate/person.
 - Contract with a private or public company in which relative of a director/manager is a Director / member.

8. Disclosures:

The company shall submit within 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.

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance to the stock exchanges where the securities of the company are listed.

This Policy shall be made available on the website of the Company www.gyscoal.com and a web link thereto shall be provided in the Company's Annual Report.

9. Amendment/Review:

The Board of Directors of the company are authorised to withdraw and/or to alter/amend the policy or any part of this Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

This policy (including the thresholds) shall be reviewed by the Board of Directors atleast once in three years and/or as and when required and updated accordingly.