



GOODLUCK INDIA LIMITED

RELATED PARTY TRANSACTION POLICY

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GOODLUCK INDIA LIMITED

POLICY ON RELATED PARTY TRANSACTION

1. INTRODUCTION

The Board of Directors (the “Board”) of Goodluck India Limited (the “Company”), recognizes that certain relationships can present potential or actual conflicts to interest and may raise questions about whether transactions associated with such relationships are consistent with Company’s and its stakeholders’ best interest. The Company must specifically ensure that certain transactions are effected and disclosed in accordance with strict legal and accounting standard to which it is subject. This policy regarding review and approval of related Party transactions has been adopted by the Company’s Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified by the Audit Committee.

2. PURPOSE

This policy is framed as per requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) and is intended to ensure proper approval and reporting of transactions between the Company and its Related Parties. 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. APPLICABILITY

This Policy will be applicable to the Company to regulate transactions between the Company and its related Parties based on the applicable laws and regulations.

4. DEFINITIONS

“Act” shall mean the Companies Act, 2013 and the rules framed there under, including any modifications, amendments, clarifications circulars or re-enactment thereof.

“Arm’s Length basis” means a transaction between two related parties that is conducted as if they were unrelated, so there is no conflict of interest. For determining of Arm’s length basis, guidance may be taken from the provisions of Transfer Pricing under the Income Tax Act, 1961.

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

“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

“Materiality of Related Party Transaction” means

- A) Contract/ Arrangements with a related party shall be considered as material contract/arrangements, if the transaction(s) to be entered into individually or taken together with previous transactions 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.
- B) A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction 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 statement of the Company.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in the regulation which is as follows:

An entity shall be considered as related 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 a related party under the applicable accounting standards.
- (iii) Any person or entity belonging to the promoter or promoter group of the listed entity or any person or any entity holding equity shares of 10% or more in the Company either directly or on a beneficial interest basis as per Section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party".

“Relative” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under:

“Related Party Transaction” means a 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,

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:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
- i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

“Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 (‘Act’).

All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Act, the Listing Regulations and rules, regulations, notifications and circulars issued thereunder

5. POLICY

All Related Party transactions will be referred /reported to Audit Committee for approval by the Committee in accordance with this Policy.

6. IDENTIFICATION OF THE POTENTIAL RELATED PARTY TRANSACTION

All the Companies which are directly or indirectly related to the Goodluck India Limited will be considered as Related Parties. The Company shall also identify related Party Transactions with Directors/Key Managerial Personnel or with their relatives.

Each director/Key Managerial Personnel is responsible for providing written notice to the Company Secretary of any potential Related Party Transaction involving him or her or his or her relatives or any entity controlled by them.

7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

To review a Related Party Transaction, the Audit 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 will consider the factor that 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, among others, to the extent relevant to the Related Party Transaction.

All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations.

All Related Party Transaction(s) of the Subsidiary exceeding the threshold of material related party transactions as specified in Regulation 23 of the Listing Regulations and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Shareholders of the Company, as the case may be.

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

- i. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into be specified;
- ii. The indicative base price / current contracted price and the formula for variation in the price, if any be specified;
- iii. Such other conditions as the Audit Committee may deem fit.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. 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 RPTs entered into by the company pursuant to each of the omnibus approval given. In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the Regulations, the Companies Act 2013 and the Rules framed thereunder (including obtaining approval of the Board and/ or its shareholders, as applicable, for such contract or arrangement. All material related party transactions, other than those with exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company and the related parties shall abstain from voting on such resolutions. The interested Directors shall also not be eligible to participate in the discussion and voting on the related party transactions in terms of section 184 of the Companies Act, 2013.

8. DISCLOSURES

The Company is required to disclose Related Party Transactions in the Company's Board's Report to shareholders of the Company. Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the Listing Agreement. This Policy will be disclosed/hosted on Company's website and a web link there to shall be provided in the Annual Report of the Company.

9. AMENDMENT

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.

Note: The provisions of the Companies Act, 2013 and rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment theretofrom time to time) to the extent applicable, shall be apply in addition to this policy. ***