



Formerly known as Parnami Credits Limited

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

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1. Objective & Background:

The Company is committed to uphold the highest ethical and legal conduct while fulfilling its responsibilities and recognizes that Related Party Transactions may present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company.

The Board of Directors ("the Board") of Qgo Finance Limited ("QGO" or "the Company"), after considering the recommendation of the Audit Committee, has adopted this policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and any other applicable laws.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for transactions between the Company and Related Parties. This policy specifically deals with the review and approval of all material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

2. Definitions:

"Act" or **"The Act"** shall mean the Companies Act, 2013 and the Rules made thereunder (as amended/modified/re-enacted from time to time).

"Arm's length transaction" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest

"Ordinary Course of Business" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, providing loan to subsidiaries/joint ventures/obtaining loan from holding companies in the normal routine in managing trade or business and is not a standalone transaction and includes any transaction carried out as per the Object Clause of Memorandum of Association and Articles of Association of the Company.

Note: The Company may take into account the frequency of the activity and its continuity carried out in a normal organized manner for determination what is in the ordinary course business.

"Relative" in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act.

"Related Party" means a person or an entity, which is a related party under section 2(76) of the Companies Act, 2013 as amended from time to time.

Note: Reference and reliance may be placed on the clarification issued by the Ministry of Corporate Affairs, Government of India and other authorities from time to time on the interpretation of the term "Related Party".

"Related Party Transactions" means all transactions between the Company on one hand and one or more related party(ies) on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act.

"Transaction" shall be construed to include single transaction or a group of transactions in a contract.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. Identification of Potential Related Party Transactions:

a. Identification of related parties

The Company once in a financial year shall identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed thereunder.

b. Identification of related party transactions

The Company has formulated process for identification of related party transactions in accordance with Section 188 of the Act. The Company has also formulated guidelines for determining whether the transaction is in the Ordinary Course of Business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

4. Determination of approval level based on nature of transaction:

a. Audit Committee approval

All Related Party Transactions and any subsequent modifications thereto, shall require the approval of the Audit Committee in accordance with this Policy.

b. Board of Directors approval

All Related Party Transactions covered under Section 188 of the Act that are:

- not in the ordinary course of business, or
- in the ordinary course of business but not at arms' length or
- neither in the ordinary course of business nor at arms' length

shall require the prior approval of the Board of Directors at a Meeting of the Board.

Further, the transactions which require approval of the Board shall first be reviewed /approved by the Audit Committee.

c. Shareholders' approval

All Related Party Transaction which falls under first proviso to section 188 of the Act and exceeds the threshold limit as prescribed under rules made thereunder (as amended /modified from time to time) shall be approved by the shareholders in the manner prescribed thereunder.

5. Review and Approval of Related Party Transactions:

- a. All Related Party Transactions or changes therein must be reported by the Head of Accounts/Finance/Company Secretary and Chief Financial Officer and referred for the approval/review by the Audit Committee in accordance with this Policy.

b. **Omnibus Approval:**

1. Notwithstanding sub-clause (a) above, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company in respect of the 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 and
 - (b) the indicative base price/current contracted price and the formula for variation in the price if any.

In case where the Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant Omnibus approval for those kinds of transactions, subject to a financial value not exceeding Rupee One Crore per transaction or such other higher limit as may be prescribed under the applicable law from time to time.

4. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year or immediately succeeding meeting of the Audit Committee.
 5. Audit Committee may review on a periodic basis (half yearly), the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.
- c. If prior approval of the Audit Committee/ Board/ Shareholders as the case may be, for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee and the Board / general meeting, if required, within 3 months of entering in the Related Party Transaction.

6. Material Related Party Transactions

“Material Related Party Transaction” shall mean a transaction with a Related Party, which falls under section 188 (1) of the Companies Act, 2013 and exceeds the threshold prescribed under Rule 15 (3) of the Companies (Meetings of Board and Its Powers) Rules, 2014. All such Material Related Party Transaction shall be carried out by the Company with the approval of the Audit Committee, Board of Directors or Shareholders of the Company, in the manner as prescribed under the provision of the said rules.

7. Disclosures requirement

The Company shall disclose, in the Boards’ report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm’s length basis along with the justification for entering into such transaction.

8. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit 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

Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the Company etc. In connection with any review/ approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

9. Compliance with RPT Policy

- a. Every person associated with RPT shall be accountable for complying with this RPT Policy that may be in force from time to time.
- b. Director or KMP or any other employee, who had entered into or authorised the contract or arrangement in violation of the RPT policy and RPT framework shall be guilty of non-compliance.
- c. In case of breach of this policy, Audit Committee and/or the Board of Directors may intimate appropriate action against the person/s responsible.

10. Administrative Measure

The Audit Committee of the Company, subject to supervision of the Board, shall be the Competent Authority for investigating and taking appropriate actions/steps for prevention or remedy of any breach and/or default in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulation.

11. Review and Amendment

This Policy is established based on the provisions of the Companies Act, 2013. In case of any subsequent changes in the provisions of the Act and the Rules framed thereunder, the Act and its Rules would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. The Board shall have the right to amend the Policy from time to time, based on recommendations of Audit Committee. The Policy shall be reviewed as and when required, However, it shall be reviewed earlier if need arises for the same and/ or under special circumstances, for example a change in law.