



## POLICY ON RELATED PARTY TRANSACTIONS

OF

ACROW INDIA LIMITED

TABLE OF CONTENTS		
Sr. No.	Particulars	Page Nos.
1.	Applicability	2
2.	Definitions	2 – 3
3.	Approval of Related Party Transactions	3 – 5
4.	Disclosures	5
5.	Limitation	5
6.	Policy Review	5



The Policy on Related Party Transactions has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time.

## 1. APPLICABILITY:

This Policy shall be applicable to Related Party Transactions between Acrow India Limited (ACROW) and its Related Parties.

## 2. DEFINITIONS:

- a) “**Act**” means Companies Act, 2013 as amended from time to time.
- b) “**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.
- c) “**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company.
- d) “**Company**” means Acrow India Limited.
- e) “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- f) “**Material Related Party Transactions**” means a transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding ten percent of the turnover of the company as per the latest available audited financial statements of the company.
- g) “**Policy**” means Policy on Related Party Transactions of the Company.
- h) “**Related Party**” means a person or an entity:
  - A. which is a related party under Section 2 (76) of the Companies Act, 2013; or
  - B. which is a related party under the applicable accounting standards; or
  - C. Belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity.
- i) “**Related Party Transactions**” (**RPT**) means any contract or arrangement entered into by the Company with a Related Party with respect to -
  - (a) 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
- j) “**Relatives**” shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013.
- k) “**Transaction**” means a transaction with a related party and includes a single transaction or a group of transactions in a contract.

All the words and expressions used in this Policy, unless defined herein, shall have meaning respectively assigned to them under the Act and the Rules, Notifications and Circulars made/issued thereunder, Listing Regulations and applicable Accounting Standard(s) as amended, from time to time.

### **3. APPROVAL OF RELATED PARTY TRANSACTIONS:**

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

All Related Party Transactions (including any subsequent modification) shall need to have prior approval of the Audit Committee.

However, approval of audit committee shall not be required if the transaction is entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval and is other than a transaction referred to in Section 188 of the Companies Act, 2013.

The Audit Committee may, after satisfying itself the need for omnibus approval and that such approval is in the interest of the company, grant omnibus approval for Related Party Transactions which are repetitive in nature, in ordinary course of business and on arm’s length basis.

The omnibus approval shall be valid for a period not exceeding one year from the date of approval and shall require fresh approval after the expiry of said one year.

The approval shall specify the following:

- a) Name(s) of the related party.
- b) Nature of transaction.
- c) Period of transaction.
- d) Maximum amount of transaction that can be entered into
- e) The indicative base price/current contracted price and the formula for variation in the price, if any.
- f) Any other condition as the Audit Committee may deem fit

Provided that where the need for the Related Party Transactions cannot be foreseen and complete details as at a) to e) above are not available, the Audit Committee may grant omnibus approval for



such transaction subject to their value not exceeding ₹1 Crore per transaction.

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.

In case of a transaction, other than transaction referred to in Section 188, and where the Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

**B. Board of Directors:**

- (a) All Related Party Transactions except Related Party Transactions in the ordinary course of business and at arm's length basis shall be submitted for the approval of the Board of Directors at a duly convened meeting.
- (b) All transaction, other than transaction referred to in Section 188, and where the Audit Committee does not approve the transaction, it shall make its recommendations to the Board.
- (c) Related Party Transactions, requiring the approval of the shareholders, shall be submitted for consideration of the Board at a duly convened meeting.
- (d) The agenda of the Board meeting seeking approval of RPT shall disclose-
  - i) the name of the related party and nature of relationship;
  - ii) the nature, duration of the contract and particulars of the contract or arrangement;
  - iii) the material terms of the contract or arrangement including the value, if any;
  - iv) any advance paid or received for the contract or arrangement, if any;
  - v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
  - vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
  - vii) any other information relevant or important for the Board to take a decision on the proposed transaction.

**C. Shareholders**

All Material Related Party Transactions and Related Party Transactions beyond the limits prescribed under rule 15(3) of the Companies (Meetings of Board & its Powers) Rules, 2014, shall be submitted together with recommendations of the Board, to the shareholders of the Company for prior approval by means of an ordinary resolution.

However, approval of shareholders shall not be required if the transaction is entered into between:

- i) A holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

The explanatory statement to be annexed to the notice of a general meeting seeking approval of RPT



from shareholders shall contain the following particulars namely:

- (a) name of the related party;
- (b) name of the director or key managerial personnel who is related, if any;
- (c) nature of relationship;
- (d) nature, material terms, monetary value and particulars of the contract or arrangement;
- (e) any other information relevant or important for the members to take a decision on the proposed resolution.

***ALL ENTITIES FALLING UNDER THE DEFINITION OF RELATED PARTIES SHALL NOT VOTE TO APPROVE RELEVANT TRANSACTIONS IRRESPECTIVE OF WHETHER THE ENTITY IS A PARTY TO THE PARTICULAR TRANSACTION OR NOT.***

**4. DISCLOSURES:**

The concerned units shall on a quarterly basis, prepare a summary of all related party transactions entered into during the quarter and submit the same, along with the copy of requisite approvals obtained, to Company Secretary within 7 days from the close of each quarter.

All disclosures pertaining to Related Party Transactions required under the Act and Listing Regulations shall be made accordingly.

**5. LIMITATION:**

In the event of any conflict between the provisions of this Policy and of the Listing Regulations or Act or any other statutory enactments, rules, then, the provisions of the Act and Rules made thereunder/ Listing Regulations or other statutory enactments, rules, as the case may be, shall prevail over this Policy and shall be adhered to accordingly by all concerned parties.

**6. POLICY REVIEW:**

This policy may be reviewed by the Board of Directors at least once in every three years and updated due to change in regulations, if any or as may be felt appropriate.

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