



ANMOL INDUSTRIES LIMITED

Related Party Transaction Policy

Version 2.0

As approved by the Board of Directors on 24.02.2018

ANMOL INDUSTRIES LIMITED

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1. Preamble

As a part of the business activity, the Company deals with entities which are related parties. The Company recognizes that Related Party Transactions may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Company's & its shareholders' best interest and in compliance to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of (the "Board") of Anmol Industries Limited has adopted the following Policies and Procedures with regard to related party transactions (RPT) as defined below. The Audit Committee will review and may amend the Policy from time to time. This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Purpose

The Policy is framed as per the Section 188 of the Companies Act, 2013 and as per the requirement of Regulation 23(1) of the SEBI (LODR) Regulation 2015 and intended to ensure the proper approval and reporting of transaction 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

1. **"AIL" or "Company"** means Anmol Industries Limited, a Company incorporated under the Companies Act, 2013 (18 of 2013).
2. **"The Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and Listing Obligations & Disclosure Requirements (LODR).
3. **"Board of Directors" or "Board"** in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013).
4. **"Policy"** means this Policy, as amended from time to time.
5. **"SEBI"** means Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
6. **"LODR"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. **"Relative"** means a relative as defined under the Companies Act, 2013 or rules made there-under and LODR, as amended from time to time.
8. **"Related Party"** means a related party as defined under the Companies Act, 2013 or rules made there-under and LODR, as amended from time to time.

9. **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.
10. **“Related Party Transactions (RPT)”** shall mean such transactions as specified under the provisions of the Companies Act, 2013 & LODR including any amendment or modification thereof, as may be applicable.
11. **“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.
12. **“Ordinary Course of Business”** means transaction will be considered in ordinary course if they are entered in the normal course of the business pursuant to the objects of the Company as per the Memorandum & Articles of the Company.
13. **“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 five (five) percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, including any amendment or modification thereof, as may be applicable.

4. Objectives

- This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.
- The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

5. Rationale of the Policy

- The Audit Committee shall review and approve all RPTs based on this Policy.
- All proposed RPTs must be reported to the Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval, details whereof are given in a separate section of this Policy.
- In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

6. Identification of Related Parties & Transactions:

- a. Every Director will be responsible for providing a declaration in the format as per **Annexure 1** containing the following information to the Company Secretary on an annual basis:

Sl#	Particulars
1	Names of his / her Relatives
2	Partnership firms in which he / she or his / her Relative is a partner
3	Private Companies in which he / she or his / her Relative is a member or a Director
4	Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital
5	Any Body Corporate who's Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions
6	Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity)

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

- b. Every Director, Key Managerial Personnel, Leadership Team Members, Head of Departments (HODs) and other officers authorized to enter into contracts/ arrangements will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.
- c. The RPTs should be in conformity with the prevailing rules and regulations prescribed by law.
- d. Besides the above, the Company will also identify other Related Parties as required under the Companies Act, 2013 and Clauses mentioned under the LODR.
- e. Any transaction by the Company with a Related Party will be regulated as per this Policy.
- f. The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of –
1. All Directors and Key Managerial Personnel;
 2. All individuals, partnership firms, Companies and other persons as declared and updated by Directors and Key Managerial Personnel;

3. Company's holding Company, subsidiary Companies and associate Companies, if any;
 4. Subsidiaries of holding Company, if any;
 5. Director or Key Managerial Personnel of the holding Company or their Relatives, if any;
 6. All the Group entities;
 7. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Clauses of LODR or the relevant Accounting Standard.
- g. The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer.
 - h. The functional / business heads; Chief Financial Officer; Company Secretary shall have access to the updated database.
 - i. The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in Annexure 2 to this Policy.
 - j. The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the Company Secretary will take it up for necessary approvals under this Policy.

7. Review and Approval of Related Party Transaction

a. Audit Committee:

- a1. All the transactions which are identified as RPTs should be pre-approved by the Audit Committee before entering into such transaction whether at a meeting or by resolution by circulation or through electronic mode. The Audit Committee shall consider all relevant factors while deliberating the RPTs for its approval.
- a2. Any member of the Committee who has a potential interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.
- a3. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under the provisions of LODR 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 year. The omnibus approval shall specify:

Sl#	Particulars
1	The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into
2	The indicative base price / current contracted price and the formula for variation in the price if any Such other conditions as the audit committee may deem fit: Provided that 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 rupees Five crore per transaction.

a4. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

a5. RPTs entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

a6. Subject to the applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the RPTs, which are not in accordance with this Policy.

b. Board of Directors:

b1. In case any RPTs are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, such transactions shall be effected only with prior approval of the Board of Directors of the Company, on recommendation of Audit Committee.

b2. 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.

b3. Any member of the Board who has any interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction.

c. Shareholders:

c1. If a related party transaction is (i) a material transaction as per the provisions of LODR, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a related party shall not vote on resolution passed for approving such related party transaction.

d. Reporting of RPTs:

d.1 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.

e. RPTs not previously approved:

e.1 In the event the Company becomes aware of a RPT that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy and in compliance with the applicable laws and regulations as may be amended from time to time.

e.2 The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.

8. Effective Date:

This policy shall be effective from April 1, 2017.

9. Limitation and Amendment

- The Board of Directors may in their discretion and on recommendation of the Audit Committee, make any changes/modifications and/or amendments to this Policy from time to time.
- Requirements with respect to quorum, notice of meeting, documentation, etc shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.
- In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

End of Policy

ANNEXURES

ANNEXURE 1

To,
 The Company Secretary/Compliance Officer
 Anmol Industries Limited (AIL)
 Crescent Tower, 3rd Floor, 229 A.J.C. Bose Road, Kolkata – 700020

Dear Sir/ Madam,

A. I,, son/daughter/spouse of, resident of, holding Shares (equity or preference) of Rs. 10/- each (..... percent of the paid-up Capital) in the Company in my name, being a in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals: [Strike out which is not applicable]

Sr. #	Names of Companies	Nature of interest/concern*	Shareholding (% of paid-up capital)	Date on which interest or concern arose
I	Public Companies			
i)				
ii)				
II	Private Companies			
i)				
ii)				
III	Non-profit organizations/Companies			
i)				
ii)				
IV	Body Corporates (including Foreign Companies)			
i)				
ii)				
V	Association of Individuals			
i)				
ii)				
VI	Partnership Firms/ Proprietary Concern			
i)				
ii)				

* Director/ Member/ Partner/ Promoter/ Manager/CEO/ Owner

B. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity) –

Sr. #	Names of the person	Relation

Sign:
 Name:
 Designation:
 DIN, if applicable:

Place:
 Date:

SCHEDULE

LIST OF RELATIVES

[See Section 2(77) of the Companies Act, 2013 & Rule 4 of Companies (Specification of definitions details) Rules, 2014]

Sr. #	Relatives	Name	Shareholding in AIL
1	Spouse	:	
2	Members of Hindu Undivided Family	:	
3	Father (including step father)	:	
4	Mother (including step mother)	:	
5	Son (including step son)	:	
6	Son's wife	:	
7	Daughter	:	
8	Daughter's husband	:	
9	Brother (including step-brother)	:	
10	Sister (including step-sister)	:	

Sign:
Name:
Designation:
DIN, if applicable:

Place:
Date:

ANNEXURE 2

INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):

Sr. #	Particulars
1	Name of the Related Party and nature of relationship
2	Nature and duration of the contract/arrangement/transaction and particulars thereof
3	Material terms of the contract or arrangement or transaction including the value, if any
4	In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations
5	Any advance paid / received or to be paid / received for the contract or arrangement, if any
6	Manner of determining the pricing and other commercial terms, whether or not included as part of contract
7	Whether all factors relevant to the contract/arrangement/transaction have been considered, if not, the details of factors not considered with rationale for not considering those factors
8	Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any
9	Applicable statutory provisions, if any
10	Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities
11	Justification as to the arm's length nature of the proposed transaction
12	Declaration whether the transaction is in the ordinary course of business
13	Persons / authority approving the transaction
14	Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction