



# **ANMOL INDUSTRIES LIMITED**

## **RELATED PARTY TRANSACTION POLICY**

Version 3.0

As approved by the Board of Directors on 20.06.2015, 2<sup>nd</sup> revised on 24.02.2018 and 3<sup>rd</sup> revised on 14.05.2022

### **ANMOL INDUSTRIES LIMITED**

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## 1. Preamble

Anmol Industries Limited (the '**Company**') recognizes that Related Party Transactions ('**RPTs**') may have a potential for involving conflict of interest and may raise concerns over its impact in the context of best corporate practices as well as best interest of the Company and its shareholders and compliance with the provisions of the Act or other applicable provisions of law. During the course of its business operations, the Company deals with persons/entities which are its related parties as defined under Section 2(76) of the Companies Act, 2013 ('**Act**'). The Board of Directors (the "**Board**") of the Company has adopted the following framework for entering into RPTs as detailed in the subsequent parts of this Policy.

The Audit Committee is required to review this Policy, from time to time, and suggest amendments as may be required, subject to the approval of the Board. This Policy applies to transactions between the Company and its Related Parties. It provides a framework for governance and reporting of RPTs including material transactions.

<b>Title</b>	<b>Particulars</b>
Reviewing Authority	Audit Committee
Approving Authority	Board of Directors of the Company
Document Status (First Version)	Approved by the Board on 20.06.2015
Second Review (V2)	Approved by the Board on 24.02.2018
This review is third review (V3)	14.05.2022
Effective Date of the changed version	01.04.2022
Review Cycle	As mentioned in the Policy/ As considered necessary

## 2. Purpose

The Board realizes that certain transactions present a heightened risk of conflict of interest or the perception thereof. Therefore, any dealings with a Related Party must be conducted in such a way that no preferential treatment is given and adequate disclosures and/or permissions are made/sought as required by Applicable Laws as defined herein below and as per the applicable policies of the Company.

Accordingly, the Board has adopted this Policy to ensure that all transactions with Related Parties shall be subject to this Policy and approval or ratification in accordance with Applicable Laws. This Policy is intended to regulate the RPTs and address as well as avoid any chance of conflict of interest by laying down a framework for identification of Related Parties from time to time and taking proper approvals and reporting. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such RPTs.

## 3. Definitions

1. **“Act”** means the Companies Act, 2013.
2. **“Applicable Laws”** means Act and rules made thereunder, applicable Accounting Standards issued by the Institute of Chartered Accountants of India or any other legislative authority entrusted with the task of issuing such accounting standards and includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions, as may be in effect and applicable on the Company from time to time.
3. **“AIL” or “Company”** means Anmol Industries Limited, a Company incorporated under the Act.
4. **“Audit Committee or Committee”** means the Committee of Board of Directors of the Company constituted under the provisions of Section 177 of the Act. .
5. **“Board of Directors” or “Board”** in relation to a Company, means the collective body of Directors of the Company as defined under Section 2(10) of the Act. .
6. **“Policy”** means this Policy, as amended from time to time.
7. **“Relative”** means a relative as defined under Section 2(77) of the Act , as amended from time to time.
8. **“Related Party”** means a related party as defined under Section 2(76) of the Act read with the rules made there-under, as amended from time to time.
9. **“Related Party Transactions (RPT)”** shall mean any transaction directly involving any Related Party that are subject to the provisions of Applicable Laws and shall inter-alia include the following:
  - i. purchase, sale or supply of goods or materials;
  - ii. selling or otherwise disposing of, or buying, property of any kind;
  - iii. leasing of property of any kind;

- iv. availing or rendering of any services;
  - v. appointment of any agent for purchase or sale of goods, materials, services or property;
  - vi. appointment of such related party to any office or place of profit in the company, its subsidiary company or associate company; and
  - vii. underwriting the subscription of any securities or derivatives thereof, of the company;
  - viii. such other transactions as per Applicable Law
10. **“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, details whereof are given in a separate section of this Policy.
11. **“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 of Association of the Company, details whereof are given in clause 8 of this Policy.
12. **“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 that Related Party during a financial year, exceeds the threshold provided in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

On this day of adoption of Version 3, Rule 15(3) which lays down the threshold limits of materiality under Related Party Transactions is as below:

(i) sale, purchase or supply of any goods or material, directly or through appointment of agent, 3[amounting to ten percent or more] of the turnover of the company as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188:

(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, [amounting to ten percent or more] of net worth of the company as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;

(iii) leasing of property any kind [amounting to ten percent or more of the turnover of the company], as mentioned in clause (c) of sub-section (1) of section 188:

(iv) availing or rendering of any services, directly or through appointment of agent, [amounting to ten percent or more] of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

Explanation.- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188.

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation.- (1) The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.

**Any other term not defined herein shall have the same meaning as defined in the Act, 2013 or any other applicable laws.**

## **5. Rationale of the Policy**

- The Audit Committee shall review and approve all RPTs based on this Policy.
- All proposed RPTs must be placed before the Committee for its prior approval 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 clause 9 of this document.
- 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 within the prescribed time period given in clause 9 of this document.

## **6. Identification of Related Parties & Transactions:**

- a. Every Director and Key Managerial Personnel ('KMP') 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) along with the relation with that person

- Every Director and KMP 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, KMP, 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, which shall thereafter be placed by the Company Secretary to the Committee/Board, as the case may be, for approval. 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/or the Board, as the case may be.
  - 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 Act or other Applicable Law, if any.
  - e. Those person/entity/concern, as the case may be, for whom the Company is a related party, the same shall vice-versa be treated as a related party by the Company for all meaning and purposes.
  - f. Any transaction by the Company with a Related Party will be regulated as per this Policy.
  - g. 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 KMP of the holding company or their Relatives, if any;
    6. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with the relevant Accounting Standard.
  - h. The database shall be updated periodically as well as whenever required and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer.
  - i. The functional / business heads; Chief Financial Officer; Company Secretary shall have access to the updated database.
  - j. 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.

- k. 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 and/or the Board, as the case may be. Based on this notice, the Company Secretary will take it up for necessary approvals under this Policy.

## **7. Determination of 'Ordinary Course of Business'**

The transactions which are incurred by the Company in carrying its main object of the Company shall be treated as transaction in the Ordinary Course of business. For determining "Ordinary Course of Business", the Company shall consider all 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, which, are done on a routine basis and are not standalone transaction(s). The Company would take into account the frequency of such activity and its continuity, in a normal organised manner, while determining what is in the ordinary course of business. Further, the transaction should not be:

- a. an exceptional or extra-ordinary activity as per applicable Accounting Standards or financial reporting requirements.
- b. any sale or disposal of undertaking of the Company, as defined in explanation (i) to clause (a) of sub-section (1) of section 180 of the Act.

In order to decide whether or not a contract or arrangement is being entered by the Company in its ordinary course of business, the Company shall consider whether the contract/arrangement is germane to attainment of main objects as set out in the Memorandum of Association.

## **8. Determination of Arm's length nature of any RPT**

At the time of determining the arms' length nature of price charged for the RPT, the Audit Committee shall take into consideration the following:

- i. The contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
- ii. Permissible methods of arms' length pricing as per Applicable Laws including such prices where the benefits of safe harbour is available under Applicable Laws.
- iii. The contracts/ arrangements have been commercially negotiated.
- iv. For the said purposes, the Audit Committee shall be entitled to rely on professional opinion in this regard.
- v. Further, in order to determine the optimum arm's length price, the Company may also apply the most appropriate method from any of the methods as prescribed under Section 92C(1) of the Income Tax Act, 1961 read with Rule 10B of the Income Tax Rules, 1962.

## **9. 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 . 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, other than transactions in respect of selling or disposing of the undertaking of the company, and subject to such criteria/conditions as mentioned under the provisions of Rule 6A of Companies (Meetings of Board and its Powers) Rules, 2014 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, , ,
2	Nature of transaction
3	Duration of transaction
4	Maximum amount of transactions that shall be entered into
5	The indicative base price / current contracted price and the formula for variation in the price if any
6	Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction
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 Rs.1.00 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, which does not violate compliance with any applicable law, 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 within three months.

a6. Where the need for RPT cannot be foreseen, and aforesaid details are not available, Audit Committee may grant omnibus approval for such transaction subject to their value not exceeding Rs. 1 crore per transaction for a financial year.

a7. In case any transaction involving any amount not exceeding Rs. 1 crore is entered into by a director or office of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within 3 (three) months from the date of transaction, such transaction shall be voidable at the option of the Audit Committee and if transaction is with the Related Party to any director

or is authorized by any other director, the director concerned shall indemnify the Company against any loss incurred by it:

Provided that the above provisions shall not apply to a transaction, other than a transaction referred to in section 188 of the Act, between a holding company and its wholly owned subsidiary company.

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 the 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 related party transaction.

**c. Shareholders:**

c1. If a related party transaction is not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 or exceeds five percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, it shall require shareholders' approval by way of an ordinary resolution. In such a case, any member of the Company who is a related party shall not vote on resolution being placed 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.

d2. The Company shall also disclose the Policy on the website of the Company and the web- link of the Policy shall be provided in the Annual Report of the Company

**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, but not later than 3 months from the date of the knowledge of the said RPT.

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.

#### **10. Effective Date:**

This policy shall be effective from April 1, 2022.

#### **11. Limitation and Amendment**

- The Board of Directors may at its discretion and on recommendation of the Audit Committee, make any changes/modifications and/or amendments to this Policy from time to time.
- In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, as applicable, the provisions of such Act or statutory enactments, rules, as the case may be, shall prevail over and automatically over this Policy and the relevant provisions of the Policy would stand amended/modified to that extent as consistent with the law till such time the amendments are actually carried out.

*End of Policy*

## ANNEXURES

### ANNEXURE 1

To,  
The Company Secretary/Compliance Officer  
Anmol Industries Limited (AIL)  
Crescent Tower, 3<sup>rd</sup> 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/body corporates/firms/association of individuals	Nature of interest or concern*/Change in interest or concern	Shareholding (% of paid-up capital)	Date on which interest or concern arose/changed
<b>I</b>	<b>Public Companies</b>			
i)				
ii)				
<b>II</b>	<b>Private Companies</b>			
i)				
ii)				
<b>III</b>	<b>Non-profit organizations/Companies</b>			
i)				
ii)				
<b>IV</b>	<b>Body Corporates (including Foreign Companies)</b>			
i)				
ii)				
<b>V</b>	<b>Association of Individuals</b>			
i)				
ii)				
<b>VI</b>	<b>Partnership Firms/ Proprietary Concern</b>			
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:

Place:

Name:

Date:

Designation:

DIN, if applicable:

## 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):

<b>Sr. #</b>	<b>Particulars</b>
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