

# ASSAM ENTRADE LIMITED

Regd. Office: 16 Tara Chand Dutta Street (2nd Floor), Kolkata 700 073

CIN No. U20219WB1985PLC096557

GSTIN 09AAECA3423G1ZZ

PAN NO. AAECA3423G

## POLICY ON RELATED PARTY TRANSACTIONS

### 1. Scope and Purpose of the Policy

Related Party transactions can present potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ('Act') read with rules framed there under and Regulation 23 of the SEBI (listing Obligations and Disclosure Requirements), Regulations, 2015, Assam Entrade Limited ('AEL' or the Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, the Board of Directors has adopted this Policy on Related party Transactions ('Policy').

### 2. Materiality Thresholds

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), regulations 2015 requires a company to formulate a policy on materiality of related party transactions and on dealing with Related party Transactions. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements. AEL has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company and the transactions beyond this will require shareholders approval through resolution and no related party shall vote to approve on such resolutions whether the entity is a related party to the particular transaction or not.

### 3. Policy

- All related party contracts/arrangements shall be entered on arm length basis.
- All related party contracts/arrangements shall comply with Companies Act, 2013.
- All related party contracts/arrangements shall comply with Accounting Standards.
- Approval of Audit Committee shall be taken for related party contracts/arrangements as required under Companies Act, 2013 and SEBI Listing Regulations.
- Company may obtain Omnibus approval from Audit Committee for repetitive transactions subject to compliance of the conditions laid down in the SEBI Listing Regulations and Companies Act, 2013.
- 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 approvals given.
- All transactions which are not in the ordinary course of business or not on arm length shall be placed before the Board for its approval.
- All transactions with related parties meeting materiality thresholds, laid down in Clause 2 of this Policy shall be placed before shareholders approval.

### 4. Disclosure

The Related Party Transactions shall be disclosed in the Company's applicable filings as required by the Companies Act, 2013 and SEBI Listing Regulations and the said Policy shall be disclosed on Company's website and in the Annual Report as prescribed.