

ASSAM ENTRADE LIMITED

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POLICY ON RELATED PARTY TRANSACTIONS

Scope and purpose of 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').

Materiality Thresholds

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), regulations 2015 require 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

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 a related party shall vote to approve on such resolutions whether the entity is a related party to the particular transaction or not.

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 shareholder's approval.

Amendments to the Policy

The Company is committed to continuously reviewing and updating our policies and procedures.

Therefore, this policy is subject to modification.

This policy will be reviewed by the Board of Directors of the Company once in every three years and any amendment of any provision of this policy shall be promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment

Disclosure of the Policy

The Policy may be uploaded on the website of the Company.
