

ACC LIMITED
RELATED PARTY TRANSACTIONS POLICY

1. Introduction

This Policy has been framed by the Company pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applies with immediate effect to transactions, if any, requiring shareholders approval and shall apply to other related party transactions (where shareholders approval is not required) with effect from 1st December, 2015 or any modifications effected on or after 1st December, 2015 to subsisting transactions with Related Parties.

The Policy has been amended in line with the amendments made to the Listing Regulations vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018. The revised Policy has come into effect from April 1, 2019 and shall be in supersession of the earlier policy.

2. Definitions

- a. "Act" means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- b. "Board" means Board of Directors of the Company.
- c. "Related Party" with reference to the Company, means :
 - i. A related party as defined under section 2(76) of the Companies Act, 2013; or
 - ii. A related party as defined under the applicable accounting standards.
 - iii. Any person or entity belonging to the promoter or promoter group of the company and holding 20% or more of shareholding in the company.
- d. "Related Party Transaction" means a transaction between the company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- e. "SEBI Listing Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof.

3. Transactions between Company & Related Parties and Materiality Threshold

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations. All Material Related Party Transactions other than those with Wholly Owned Subsidiaries (whose

accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval) shall be placed for approval of the shareholders of the Company.

Materiality Threshold:

The following transactions with the Related Party(ies) shall be treated as "Material"

- i. any transaction / transactions to be entered into individually or taken together with previous transactions during a financial year which exceeds 10% of the annual consolidated turnover of the Company as per the last consolidated audited financial statements of the Company.
- ii. any transaction involving payments to a related party with respect to brand usage or royalty entered into individually or taken together with previous transactions during a financial year which exceeds 2% of the annual consolidated turnover of the Company as per the last audited consolidated financial statements of the Company.

4. Internal Processes in regard to Related Party Transactions

The Company shall, with the approval of the Board of Directors, establish appropriate internal processes for the purpose of identification of Related Parties in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations and amendments thereto made from time to time. All transactions with the related parties shall be subject to approval of the Audit Committee and the Board.

In case of transactions with related parties, where the materiality threshold as stated in Para 3 above is exceeded or is likely to be exceeded, the Company is required to seek approval of the shareholders. Adherence to the "Materiality" threshold as above and other relevant matters in accordance with this policy or any variation thereto shall be ensured prior to entering into transactions with Related Parties. In addition to the above, all types of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time shall also be placed before the shareholders for approval. No related party shall vote to approve the resolutions, whether the entity is a related party to the particular transaction or not.

In the event the Company becomes aware of a transaction with a related party which has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification or revision of the related party transaction.

5. Omnibus Approval

- a. The Audit Committee and the Board may grant omnibus approval for related party transactions subject to the following conditions:
- b. it shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the company.
- c. the approval shall specify the name of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into.
- d. the indicative base price/current contracted price and the formula for variation in the price if any,
- e. Such other conditions as may be deemed appropriate.
- f. Details of related party transactions entered into by the company with each of the related parties pursuant to the omnibus approvals given shall be reviewed at least on a quarterly basis.
- g. all omnibus approvals granted shall be for a period of one year from the dates of such approval and shall be subject to review and approval at the end of each year.
- h. Omnibus approvals can be granted for such amounts as may be considered as appropriate.

6. Amendments

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Regulations, Act or any law for the time being in force.

The amended Policy shall be effective from April 01, 2019 until which period, the earlier Policy dated October 20, 2015 shall continue to be applicable.

This policy shall be subject to review by the Board of Directors once in every three years.

Approved at the Meeting of the Board of Directors held on 20th October, 2015 and reviewed on 5th February, 2019.