

## **ATLANTIC COMMERCIAL COMPANY LIMITED**

### **POLICY ON RELATED PARTY TRANSACTIONS**

#### **1. Preamble**

The Board of Directors of ATLANTIC COMMERCIAL COMPANY LIMITED has adopted the following policy and procedures with regard to Related Party Transactions.

This Policy on the Related Party Transactions (the “Policy”) of the Company sets forth the procedures to be followed for approval/ratification of Related Party Transactions in compliance with applicable laws and regulations.

This Policy is framed as per the requirement of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and requires the Company to formulate a policy on materiality of Related Party Transactions and dealing with Related Party Transactions.

#### **2. Definitions:**

The terms included in this Policy shall have the same meaning as defined under the Companies Act, 2013 read with Listing Regulations and/or other related laws, as amended and applicable from time to time.

- (a) “Audit Committee” means audit committee of Board of the Company constituted under the provisions of Listing Regulations and Companies Act, 2013.
- (b) “Arm’s Length Basis” means transaction between two related parties that is conducted as if the parties were unrelated.
- (c) “Board” means Board of Directors of the Company appointed in accordance with the terms of the Companies Act, 2013 read with Listing Regulations.
- (d) “Company” means ATLANTIC COMMERCIAL COMPANY LIMITED.
- (e) “Key Managerial Personnel” means any key managerial personnel as defined under sub section 51 of Section 2 of the Companies Act, 2013.
- (f) “Material Related Party Transaction” means a transaction with a Related Party 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.

In addition to this, any 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 five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

- (g) “Ordinary Course of business” means the transactions undertaken in the normal course of business of the Company as permitted by law / regulations or as part of customary business practices or by its long standing conduct.
- (h) “Related Party” means an entity which shall be considered as related to the company if:
- (1) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
  - (2) such entity is a related party under the applicable accounting standards.

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the Company;  
or  
(b) any person or any entity, holding equity shares:

- (i) of twenty per cent (20%) or more; or
- (ii) of ten per cent (10%) or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;

shall be deemed to be a related party.

- (i) “Related Party Transactions” (RPTs) means a transaction/ contract/ arrangement, between the Company and its Related Party(ies), which falls under Section 188 of the Act or under clause(zc) of Regulation 2(1) of the Listing Regulations.

### **3. Determination of Material Related Party Transactions**

The Company has fixed the materiality threshold as defined in Clause 3(f) of this Policy.

### **4. Approval of Related Party Transactions and subsequent modifications**

- (i) The Audit Committee defines “material modifications” as any change of 20% or more in the amount of any already approved Related Party Transaction.
- (ii) All Related Party Transactions and any material modifications shall require the prior approval of the members of the audit committee of the Company in the prescribed format to the extent applicable.
- (iii) All other modifications to an approved related party transaction shall also be approved by the Audit Committee.
- (iv) Only those members of the audit committee who are independent directors shall approve the Related Party Transactions.
- (v) with effect from April 1, 2022, a Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent (10%) of the annual consolidated turnover, as per the last audited financial statements of the Company.
- (vi) with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent (10%) of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

- (vii) The Audit Committee shall determine whether the Transactions are on Arms' Length Basis and in Ordinary Course of Business, while providing its approval.
- (viii) If the Audit Committee determines that the Transactions are not on Arms' Length Basis and not in Ordinary Course of Business, or are "Material", or in any case requires the Board' approval, then if it deem appropriate, may recommend such transactions to the Board for its approval. Further, if the Board determines that such transactions are "Material", as per the criteria mentioned above, then it may recommend such transactions to the Shareholders of the Company for their approval.
- (ix) All Material related party transactions and subsequent Material Modifications of such Material related party transactions shall require prior approval of the shareholders through resolution. The shareholders will be provided the prescribed information alongwith the draft resolution for their consideration. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- (x) The Audit Committee may also provide an Omnibus approval to such transactions, which are repetitive in nature, on such terms and conditions as it may deem fit. The details of transactions for which the Audit Committee give the Omnibus approvals, shall be quarterly placed before the Committee, for its review.
- (xi) Person/Department originating the Related Party Transaction shall ensure the compliance and will record/ store reasons/information to justify that the transaction is on Arm's Length Basis.

#### **5. Related Party Transactions Not Approved Under this Policy**

A related party transaction entered into without approval of the Audit Committee shall be brought to the Audit Committee as promptly as reasonably practical after it is entered into.

#### **6. Disclosure**

The Company shall submit and disclose to the stock exchange the Related Party Transactions 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.

#### **7. Amendments**

The Chairman of the Board of the Company is authorized to amend or modify this Policy on the recommendations of the Audit Committee. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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