



ACE INTEGRATED SOLUTIONS LIMITED

RELATED PARTY TRANSACTIONS POLICY



POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Companies Act, 2013, as amended from time to time (the 'Act') and the Securities and Exchange Board of India ('SEBI') have prescribed regulations governing related party transactions entered into by listed entities. The Act defines related parties and related party transactions and prescribes certain approval requirements with respect to such transactions. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') inter alia require listed companies to adopt a policy setting out the manner in which such companies will deal with related party transactions, as well as the materiality thresholds applicable to such transactions.

In order to consolidate the procedural requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors ("Board") of ACE INTEGRATED SOLUTIONS LIMITED (the "Company") has laid down this policy on related party transactions in accordance with the requirements of the Companies Act, 2013 read with relevant rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of the Directors of the Company has adopted this policy in its meeting held on August 28, 2017.

2. OBJECTIVE

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. DEFINITIONS

"Related Party", means—

- (A) With reference to the Company:
- (i) a director or his relative;
 - (ii) a key managerial personnel or his relative;
 - (iii) a firm, in which a director, manager or his relative is a partner;
 - (iv) a private company in which a director or manager is a member or director;
 - (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
 - (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
 - (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:



Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company which is—
 - (a) a holding, subsidiary or an associate company of such company; or
 - (b) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.;

“Relative”, with reference to any person, means anyone who is related to another, if—

- (a) they are members of a Hindu Undivided Family;
- (b) they are husband and wife; or
- (c) A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely: -
 - (i) Father (includes step-father).
 - (ii) Mother (includes the step-mother).
 - (iii) Son (includes the step-son).
 - (iv) Son’s wife.
 - (v) Daughter.
 - (vi) Daughter’s husband.
 - (vii) Brother (includes the step-brother)
 - (viii) Sister (includes the step-sister).

“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.

“Audit Committee” means Audit Committee constituted by the Board of Directors of Ace Integrated Solutions Limited as per the provision of the Act and the SEBI Listing Regulations.

“Board of Directors” or “Board” means the Board of Directors of Ace Integrated Solutions Limited, as constituted from time to time.

“Company” means ACE INTEGRATED SOLUTIONS LIMITED.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) the Chief Executive Officer or the Managing director or the Manager,
- (ii) the Company Secretary;
- (iii) the Whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed by the Central Government/SEBI from time to time.

“Related party transaction” means a transfer of resources, services or obligations between a a Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

Related Party Transaction as per the Companies Act, 2013 means any contract or arrangement with a related party with respect to:

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;



- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

“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 during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

“Policy” means Policy on Related Party Transactions.

4. IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS

The Company shall identify and update the list of related parties as prescribed under section 2(76) of the Act read with rules framed there under and SEBI Listing Regulations. The Company shall identify the related party transactions in accordance with the provision of the Act and SEBI Listing Regulations. The Company shall also determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company prefers to receive such notice of any potential Related Party Transaction and interest of the related parties in the said transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

APPROVAL PROCESS:

5. AUDIT COMMITTEE APPROVAL

All Related Party Transactions shall require prior approval of the Audit Committee. Accordingly, all proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee.

5.1 OMNIBUS APPROVAL FROM AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company subject to the following conditions: -

1. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature



2. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.
3. The omnibus approval shall contain or indicate the following: -
 - (a) name of the related parties;
 - (b) nature and duration of the transaction;
 - (c) maximum amount of transaction that can be entered into;
 - (d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - (e) 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 make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
4. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-
 - (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - (b) the maximum value per transaction which can be allowed;
 - (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
 - (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.
5. The Audit Committee will consider the following factors while specifying the criteria for making omnibus approval, namely: -
 - (a) repetitiveness of the transactions (in past or in future);
 - (b) justification for the need of omnibus approval.
6. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
7. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
8. Any other conditions as the Audit Committee may deem fit.

6. BOARD APPROVAL:

6.1 All the related party transactions prescribed under Section 188 of the Companies Act, 2013 read with rules made thereunder, which are not in the ordinary course of business or not at Arm's Length Basis shall be brought before the Board and the Board may consider and approve the related party transaction at a meeting.

6.2 All the Material Related Party Transactions shall be considered and approved by the Board before the same are considered by the shareholders for their approval

6.3 Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.



6.4 Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board.

7. SHAREHOLDERS APPROVAL:

7.1 All Related Party Transactions in excess of the limits prescribed under section 188 of the Companies Act, 2013 read with rules made thereunder, which are not in the Ordinary Course of Business or not at Arms' Length shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

7.2 All material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

8. EXEMPTION FROM APPLICABILITY OF THE POLICY

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this policy shall not apply to the following Related Party Transactions shall not require approval of Audit Committee or Board or Shareholders:

- (i) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- (ii) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (iii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and where all holders of such securities receive the same benefits pro rata as the Related Party.

9. POLICY REVIEW:

This Policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any difficulties or ambiguities in the Policy will be resolved by the Board of Directors / Audit committee in line with the intent of the Policy.

The Audit Committee shall periodically review the Policy and may recommend amendments to this Policy to the Board of Directors of the Company from time to time as it deems appropriate

In the event of any conflict between the provisions of this policy and of the applicable law dealing with the related party transactions, such applicable law in force from time to time shall prevail over this policy.
