



**ACE INTEGRATED SOLUTIONS LIMITED**

**RELATED PARTY TRANSACTIONS POLICY**



## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS**

### **Legislative background**

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing regulations) requires that every listed company shall formulate a policy on materiality of related party transactions.

Board in its meeting held on **29.05.2024** had approved the policy on materiality of related party transactions as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been amended on **22.05.2026**.

### **Definitions**

- Company means **Ace Integrated Solutions Limited**.
- **Material Modification**” means any amendment/ change in existing terms and conditions of an approved Related Party Transaction amounting to:
  - (a) Increase in the overall transaction value by more than 15% of the originally approved transaction value.
  - (b) Change in tenor of the transactions by more than 6 months
  - (c) Change in “basis of pricing” approved.
- **“Promoter” and “Promoter Group”** shall have the same meaning as assigned to them respectively in clauses [(oo)] and [(pp)] of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018
- **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

### **Provided that:**

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
  - (i) of ten per cent or more;



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:”

- **“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:

(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or

(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:



- d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- e) retail purchases from any listed entity or its subsidiary by its the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);”

- **Subsidiary** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

**Threshold limits for Related Party Transactions shall mean the following: -**

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 the following: -

<b>Consolidated Turnover of Listed Entity Threshold</b>	<b>Threshold</b>
Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.



### **How a material related party transaction is determined**

A transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the above Threshold limits.

However 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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

### **Compliance with Listing Regulations**

All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the Company and only those members of the audit committee, who are independent directors, shall approve related party transactions.

A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, 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, exceeds the lower of the following:

- ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- the threshold for material related party transactions of listed entity as specified above

In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:



- ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

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

- The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company or its subsidiaries pursuant to each of the omnibus approval given.
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"



- the requirements of SEBI Circulars and Industry Standards issued from time to time for Minimum Information to be provided to Audit Committee and Shareholders for approval of Related Party Transactions as amended shall be followed as applicable.

The Company shall, wherever feasible, identify probable material related party transactions at the beginning of each financial year and obtain prior approval of shareholders before such transactions cross the applicable materiality thresholds.

The Company shall ensure that all entities falling under the definition of Related Party shall not vote to approve the said resolution irrespective of whether the entity is a party to the particular transaction or not.

The Audit Committee may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore,
- The Transaction is not material in terms as defined above.
- rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification.
- the details of ratification shall be disclosed along with the disclosures of related party transactions to stock exchanges.
- any other condition as specified by the audit committee.

The material related party transactions entered into between the Company and its wholly owned subsidiaries and transactions between Company's wholly owned subsidiaries (whose accounts are consolidated with company's accounts and placed before the shareholders at the general meeting for approval) shall not require shareholders' approval by way of resolution.



All related party transactions entered into between the Company and its wholly owned subsidiaries and transactions between Company's wholly owned subsidiaries (whose accounts are consolidated with company's accounts and placed before the shareholders at the general meeting for approval) will not require prior approval of the Audit Committee.

The Company shall submit within timelines specified in SEBI (Listing obligation & Disclosure requirements) Regulations from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions in the format specified by the stock exchanges read with the Listing Regulations and publish the same on its website.

Words and expressions not defined in this Policy shall have the same meaning as contained in the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 or the Companies Act, 2013.

In the event of any inconsistency between this Policy and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars/FAQs issued by SEBI, the Regulation and SEBI Circulars/FAQs shall prevail.

The Board will review and amend this Policy as and when required and atleast once in every three years.

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