



## **ARROW GREENTECH LIMITED**

### **RELATED PARTY TRANSACTION POLICY:**

#### **1. Preamble:**

Arrow Greentech Limited ("Arrow" or "Company") is governed by the Companies Act, 2013 ("The Act"), the Rules and Regulations framed thereunder by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") LODR Regulations, 2015 ("LODR Regulations"). SEBI has mandated every listed company to formulate a policy on materiality of and dealing with Related Party Transactions ("RPT").

- a. Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.
- b. The Board of Directors of the Company ("Board") on recommendation of the Audit Committee of the Company ("Audit Committee") shall review the Policy once in three years and may amend the same from time to time.

#### **2. Definitions**

- A. "Act" shall mean the Companies Act, 2013, rules framed thereunder and includes any amendment thereof
- B. "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
- C. "Material RPT"- shall have the same meaning as defined under the LODR Regulations
- D. "Material modification" means subsequent modification to an existing related party transaction, preapproved by the Audit Committee or Board or Shareholders as the case may be, exceeding 25% of the originally approved value of the said transaction
- E. "Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association
- F. "Related Party" a means related party as defined under the Companies Act, 2013 read with LODR Regulations, as may be amended from time to time
- G. "Related Party Transaction" means any transaction as defined under the Companies Act, 2013 read with LODR Regulations, as may be amended from time to time



H. "Relative" means a relative as defined under the Companies Act, 2013

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

### **3. Declaration of Related Parties and the Related Party Transactions**

i. Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall, as may be applicable:

- a. at the time of appointment;
- b. periodically – as required by the Company
- c. whenever there is any change in the information already submitted,

provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

### **4. Review and approval of Related Party Transaction**

#### **Approval of Related Party Transactions**

##### **A. Audit Committee**

All the transactions which are identified as Related Party Transactions and subsequent modifications thereof shall be approved by the Audit Committee in the manner specified under the LODR Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

- a. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.
- b. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature subject to such criteria/conditions as mentioned under the Listing Regulations or the Act and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such 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.

- c. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. The Committee has authority to modify or waive any procedural requirements of this Policy.
- d. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.
- e. The Audit Committee shall also pre-approve related party transactions, where the Company is not a party, but the Company's subsidiary is a party, as per the procedure prescribed under the LODR Regulations.

#### **B. Board of Directors**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

#### **C. Shareholders**

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the LODR Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

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**D.** The provisions of regulation 23(2), (3) and (4) of Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary; or between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

**E. Reporting of Related Party Transactions**

Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

**Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the LODR Regulations or of the Act or any other statutory enactments, Rules, the provisions of LODR Regulations or such Act or statutory enactments, Rules shall prevail over this Policy. Any subsequent amendment / modification in the LODR Regulations, Act, Rules and/or applicable laws in this regard shall automatically apply to this Policy.

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