



EURO INDIA FRESH FOODS LIMITED
CIN: L15400GJ2009PLC057789

POLICY ON RELATED PARTY TRANSACTIONS
AND
ON DEALING WITH RELATED PARTY TRANSACTIONS

1. PURPOSE

EURO INDIA FRESH FOODS LIMIED (“EIFFL” or “Company”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Accordingly, the Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (“Policy”). This Policy regulates all transactions between the Company and its Related Parties (as defined below).

The Audit Committee will review the Policy periodically and may amend the same from time to time and propose the same to the Board for approval.

2. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 read with rules framed there under (including any modifications(s)/amendment(s)/re-enactment(s) thereof.

“**Board**” means Board of Directors of the Company.

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

- (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;*

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a special resolution.

Provided further that no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party:

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm’s length basis.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party..

“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 ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

“Related Party” means related party as defined u/s 2(76) of the Companies Act, 2013 or under applicable accounting standards.

A ‘related party’ is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1) A person or a close members of that person’s family is related to a company if that person:

I. Is a related party under Section 2(76) of the Companies Act, 2013 which are as follows:

- 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(or his relative) 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 percent 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 under whose advice, directions or instructions a director or manager is accustomed to act:
Provided that nothing in sub clause (vi) and (vii) shall apply to the directions or instructions given in a professional capacity;
- viii. Anybody corporate which is-
 - a) A holding, subsidiary or an associate company of such company;
 - b) A subsidiary of a holding company to which it is also a subsidiary; or
 - c) An investing company or the venture of the company;Explanation: for the purpose of this clause, “the investing company or the venture of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.
- ix. Such other person as may be prescribed shall include a Director other than an independent Director or KMP of the holding company or his relative with reference to a Company, shall be deemed to be a related party.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

“Relative” means relative as defined u/s 2(77) of the Companies Act, 2013 and includes anyone who is related to another, if-

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son
- vi. Son’s wife
- vii. Daughter
- viii. Daughter’s husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

“Key Managerial personnel” means key Managerial Personnel (KMP) in relation to a Company as defined u/s 2(51) of the Companies Act, 2013 means and includes:

- i. Chief Executive Officer (CEO) or the managing director or the manager;
- ii. Company Secretary (CS)
- iii. Whole-time director;
- iv. Chief Financial Officer (CFO)
- v. Such other officer, not more than one level below the directors who is in whole time employment, designated as KMP by the Board; and
- vi. Such other officer as may be prescribed

“Control” shall have the same meaning as defined in SEBI (SAST) regulations, 2011.

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Section 177 of Companies Act, 2013 and as per Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for audit related purpose.

“Associate Company” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

“Significant Influence:” - means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement

“Joint venture:” - means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the Net assets of the arrangement.

3. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

Approval of related party transactions by Audit Committee

All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

A 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 ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

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 two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Any member of the Committee who has a potential interest in any related party transaction will rescue 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, (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently, or (iii) although at arm's length price, but which Audit Committee recommends to Board of Directors. In determining whether to approve a Related Party Transaction:

Whether the terms of the related Party Transactions are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a related party;

Whether there are any compelling business reasons/rational for the company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

Whether the Related Party Transaction would affect the independence of an Independent Director; whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the company; and

Whether the Related party Transaction would present an improper conflict of Interest for any Director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executives officer or other Related Party, the direct or indirect nature of the Director's, KMP or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned 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 year and shall require fresh approval after the expiry of one year.

Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

Provided that where the need for Related Party Transaction cannot be foreseen and details are not available such as name(s) of the related party, nature of transaction, period of transaction, maximum amount, etc then Audit Committee may grant omnibus approval for such transactions subject to their values not exceeding Rs. One crore per transaction.

The policy shall be reviewed by the board of directors at least once every three year and update accordingly.

A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

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, (ii) not at an arm's length price, or (iii) although at arm's length price, but which Audit Committee recommends to Board of Directors. 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 such 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 rescue himself and abstain from discussion and voting on the approval of the related party transaction.

Shareholders

If a related party transaction is (i) a material transaction 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, it shall

require shareholders' approval by a special resolution. In such a case, any member of the Company who is a related party shall not vote on resolution passed for approving such related party transaction.

Materiality of Related Party Transactions:

Contracts/Arrangements with related party shall be considered as "material related party contracts/Arrangements, if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts/agreements exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements or such as may be prescribed under SEBI (LODR) Regulations, 2015 as may be amended from time to time.

Reporting of related party transactions

Every contract or arrangement, which is required to be approved by the Board/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

4. LIMITATION AND AMENDMENT

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