

## **RELATED PARTY TRANSACTION POLICY OF RAJPUTANA INVESTMENT & FINANCE LIMITED**

The Board of Directors (the “Board”) of RAJPUTANA INVESTMENT & FINANCE LIMITED (the “Company”) has basis the recommendation of the Audit Committee adopted this Related Party Transactions Policy (this “Policy”), which defines and lays down the procedures with regard to Related Party Transactions, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

### **I. SCOPE AND OBJECTIVE**

This Policy is intended to ensure the proper approval and reporting of transactions between the Company and any of its Related Parties. This Policy shall apply to all transactions entered into by the Company with its Related Parties as per the applicable laws and regulations, including the Companies Act, 2013 (the “Companies Act”) read with the rules framed thereunder and the Listing Regulations. The Company has, under this Policy, formulated guidelines for identification of Related Parties based on materiality thresholds and setting forth the proper conduct and documentation for Related Party Transactions. Going forward, the Audit Committee of the Company may review and amend this policy from time to time, subject to adoption by the Board.

### **II. DEFINITIONS**

- a. **“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.
- b. **“Material Related Party Transaction”** means a material transaction with a Related Party as defined under Section 23(1) of the Listing Regulations.
- c. **“Ordinary Course of Business”** means a transaction which/wherein:
  - is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (‘MoA’) of the Company as amended from time to time, or
  - is as per historical practice with a pattern of frequency, or
  - is in connection with the normal business carried on by the Company, or
  - the income, if any, earned from such activity/transaction is assessed as business income in the Company’s books of accounts and hence is a business activity, or
  - is common commercial practice, or
  - meets any other parameters/criteria as decided by the Board/Audit Committee.
- d. **“Related Party”** means related party as defined under Section 2(76) of the Companies Act and Regulation 2(1)(zb) of the Listing Regulations, read with amendments issued from time to time.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term “Related Party”.

e. **“Related Party Transactions”** shall have the meaning as defined under Regulation 2(1) (zc) of the SEBI Listing Regulations or as envisaged in Section 188(1) of the Act.

f. **“Relative”** in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act.

g. **“Transaction”** shall be construed to include single transaction or a group of transactions in a contract

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

### **III. MATERIALITY THRESHOLDS**

Regulation 23 of the Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the Related Parties shall not vote to approve on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold at 10% of the annual turnover of the Company as per last audited financial statements of the Company for the purpose of Regulation 23(4) of the Listing Regulations.

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 two percent of the annual turnover of the Company as per the last audited financial statements of the Company.

### **IV. PERIODIC IDENTIFICATION OF RELATED PARTIES**

Related parties shall be identified under Companies Act and the Listing Agreement, as amended from time to time and regularly verified. The Secretarial Department of the Company shall request from all the Directors and Key Managerial Personnel information that may be required for inclusion in the list of Related Parties of the Company and also 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.

The list of identified Related Parties will be tagged and updated in the accounting system regularly and also periodically sent out to those of the staff of the Company that might be in the position to conduct or know of the possible conduct of Related Party Transactions.

## **V. APPROVALS FOR TRANSACTIONS WITH RELATED PARTIES**

Before undertaking any transaction, it must be examined by the Company whether such transaction qualifies as a Related Party Transaction, requiring compliance with this policy. The Chief Financial Officer in consultation with the Company Secretary and other persons, as appropriate, shall determine whether a transaction does, in fact, constitute a Related Party Transaction and if so, ascertain in which of the following categories such transaction should be classified in order to determine the approval requirements

### **Approval of Audit Committee**

All transactions to be entered with Related Parties shall be entered into only after prior approval of Audit Committee. The Audit Committee shall, after obtaining approval of the Board, specify the criteria for granting the omnibus approval in line with the Policy

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:- (i) repetitiveness of the transactions (in past or in future); (ii) justification for the need of omnibus approval. Provided that where the need for Related Party Transactions cannot be foreseen and details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees 1 crore per transaction.

The omnibus approval shall provide details of (a) the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (b) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and (c) such other conditions as the Audit Committee may deem fit.

The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the company pursuant to the omnibus approval given.

### **Approval of the Board**

All Transactions which are not in the Ordinary course of business or an Arm's Length Transaction will be put up for prior approval of the Board. In case the Company has a paid-up share capital exceeding the amount as may be prescribed or the value of the specified transaction exceeds the prescribed thresholds under the Companies Act read with applicable

rules, it will be also be put up for prior approval of the shareholders through an ordinary resolution.

### **Approval of the Shareholders**

All Material Related Party Transactions will be carried out only after approval from Shareholders through resolutions. Provided that the aforesaid approvals will not be required for transactions entered into by the Company with its wholly owned subsidiary whose accounts are consolidated with the accounts of the company and placed before the shareholders at the general meeting for approval.

## **VI. DISCLOSURES**

-Details of the Related Party Transactions during the quarter shall be disclosed in the Audit Committee and Board meeting.

-Director's report shall contain details of Related Party Transactions as required under the Companies Act.

Our company is the listed entity having Paid-up Capital not exceeding Rs. 10 Crores and Net Worth not exceeding Rs. 25 Crores as on the last day of financial year, the Company is not required to submit disclosure of Related Party Transaction for the Half Year ended to stock exchange as per the regulation **23(9) of SEBI (LODR) Regulations**.

## **VII. REVIEW OF THE POLICY**

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.