



RAUNAQ INTERNATIONAL LIMITED

Raunaq International Limited

Related Party Transactions Policy

(Effective from 1st October, 2014)

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A. Introduction:

Raunaq International Limited (the "Company" or "RIL") and its subsidiary companies (Indian and foreign) and its associate companies ("the Group") would, enter into transactions with a related party or parties.

The Board of Directors ("the Board") of RIL has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

B. Objectives:

The Board of Directors ("the Board") of RIL recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest or the perception thereof. Therefore, the Board has adopted Related Party Transactions Policy (this "Policy") to set forth the procedures under which transactions with Related Parties shall be reviewed for approval or ratification in accordance with the procedures set forth below.

This policy also aims to comply with the provisions of Section 188 of the Companies Act, 2013 and rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation) and other laws and regulations as may be applicable to the Company from time to time.

C. Definitions:

For the purpose of this policy, the following definitions apply:

1. **"Act"** shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications or re-enactment thereof.
2. **"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.
3. **"Associate Company"** means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company.

Explanation — for the purpose of this clause, "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.

the expression "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.

4. **"Audit Committee"** means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of SEBI (LODR) Regulations, 2015.
5. **"Company"** means Raunaq International Limited ("RIL").
6. **"Holding Company"** in relation to one or more other Companies, means a Company of which such companies are subsidiary Companies.

For the purposes of this clause, the expression "Company" includes any body corporate.

7. **"Force Majeure Event"** shall mean any acts of God, epidemic, pandemic, extremely adverse weather conditions, lightning, earthquake, flood, cyclone, volcanic eruption, chemical or radioactive contamination or ionizing radiation, fire, explosion, war (declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, rebellion, terrorist or military action, civil or economic unrest, civil commotion, boycott, political agitation, change in applicable law, expropriation, labour strikes and other similar actions, changes in the economic or political conditions in the location where the parties operate, or any other cause beyond the reasonable control of the parties to the particular Related Party Transaction and without their fault, delay or negligence.

8. **Material Modification to such Related Party Transaction means:**

Any modification in terms of a Material Related Party Transaction which was approved by the Audit Committee and/or the Shareholders, which will significantly alter the information provided to the Audit Committee and/or Shareholders or change the fundamental nature or basis of the Related Party Transaction and in case of thresholds in relation to overall transaction value, which as a consequence results modification by 20% of originally approved transaction value or Rs. 50 Lakhs, whichever is higher.

9. **"Material Related Party Transaction"** 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 the threshold of:
 - 5% of the annual consolidated turnover of the Company as per its last audited financial statements, in case of transactions involving payments made with respect to brand usage or royalty, or
 - Rs. 1000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower, in case of any other transaction(s),
10. **"Relative"** with reference to any person, means anyone who is related to another, if
 - (i) they are members of a Hindu Undivided Family;
 - (ii) they are husband and wife; or
 - (iii) one person is related to the other, if he or she is related to another in the following manner, namely: -
 - (1) Father (including step-father)

- (2) Mother (including step-mother)
- (3) Son (including step-son)
- (4) Son's wife
- (5) Daughter
- (6) Daughter's husband
- (7) Brother (including step-brother)
- (8) Sister (including step-sister)

11. **"Related Party"** means with reference to a Company, shall have the meaning as defined in Section 2(76) of the Companies Act, 2013 or under applicable accounting standards, namely

- (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 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 body 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 venturer of a Company;

Explanation. — For the purpose of this clause, "the investing Company or the venturer 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 from time to time.

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 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.

12. **"Related Party Transaction"** means a transaction involving a transfer of resources, services or obligations between:

- (a) the Company or any of its Subsidiaries on one hand and a Related Party of the Company or any of its Subsidiaries on the other hand, or

(b) the Company 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 Company or any of its Subsidiaries with effect from April 1, 2023, 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, including but not limited to the following:

- (i) sale, purchase or supply of any goods or materials;
- (ii) selling or otherwise disposing of, or buying, property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company; and
- (vii) underwriting the subscription of any securities or derivatives thereof, of the Company.

However, the following Transactions shall not be considered to be Related Party Transactions under this Policy:

- 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 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) above, acceptance of deposits includes payment of interest thereon.

- d. retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.
- e. Transactions entered into between:
 - (i) 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; and

- (ii) two wholly owned Subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- f. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- g. And any other transaction which may be exempted under the Companies Act and/or Listing Regulations, from time to time.

13. "Subsidiary Company"

As per the Provisions of Section 2(87) of the Companies Act, 2013 "Subsidiary Company" or "Subsidiary", in relation to any other Company (that is to say the holding Company), means a Company in which the holding Company –

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies;

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation — for the purposes of this clause-

A Company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other Company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;

- (iii) the expression "Company" includes anybody corporate;
- (iv) "layer" in relation to a holding company means its subsidiary or subsidiaries;

14. "Transactions in the ordinary course of business"

Any activity which is routine and in accordance with the usual customs and practices of a particular business can be described to be 'in the ordinary course of business'. For RIL, the interpretation needs to be contextual, taking into account the nature of the activity and its relevance in the overall context of the Company's businesses.

D. Policy and Procedures

The policy and procedures that would be followed in relation to Related Party Transactions are given in paragraphs below:



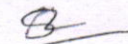
1. Identification of Related Parties

In order to ensure that all related parties as defined in the Companies Act, 2013 and as defined in the Regulations are duly identified, RIL would undertake the following process with responsibilities assigned to personnel of RIL as under:

| Sr. No. | Tasks | Responsibility |
|---------|--|---|
| 1. | Declaration by each Director and KMP <ul style="list-style-type: none">Public/Private Companies/entities in which each Director/KMP is interestedDetails of relatives of each Director/KMP | Each Director/KMP and Company Secretary |
| 2. | Declaration of whether the manager or any director of the Company is accustomed to act in accordance with the advice directions or instruction of any person (given otherwise than in a professional capacity) and if yes particular of such person(s). | Each Director and Company Secretary |
| 3. | Declaration regarding whether any Company is <ul style="list-style-type: none">a holding, subsidiary or an associate company (including a joint venture company) of the Company; ora subsidiary the company's holding company If yes, particulars of relevant Companies to be provided. | Company Secretary/CFO |
| 4. | Prepare a master list of Related Parties on the basis of aforesaid information. The aforesaid list would be circulated to CEO/COO/CFO/ Legal Head, Business Heads, the Finance & Accounts Department and Corporate Internal Audit team for their review and confirmation. | Company Secretary |
| 5. | Inform the Company Secretary and CFO of any changes in related parties within 7 working days of such changes. The Company Secretary to update the master list of related parties. | Directors/KMPs |
| 6. | Circulate an individual list of related parties of Directors/ KMPs on a quarterly basis and get a confirmation of any changes and update the master list. | Company Secretary |

2. Identification of Related Party Transactions

Each Director and Key Managerial Personnel would be responsible for providing notice to the Company of any potential Related Party Transaction involving him or her or his or



her Relative, including any additional information about the transaction that the Company may reasonably request.

The Directors and KMPs will ensure that their notice of any potential Related Party Transaction is delivered well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

RIL would collate list of transactions/contracts/arrangements likely to be entered into with each related party (as identified above) and estimated value of such transactions before the beginning of each financial year and obtain necessary approvals in accordance with this Policy.

3. Review and Approval of Related Party Transactions

Review of Related Party Transactions

The Audit Committee shall consider the following factors while deliberating the Related Party Transactions for its approval: -

- a) Type, material terms and particulars of the proposed Transaction;
- b) Name of the Related Party and its relationship with the Company or its Subsidiary, including nature of its concern or interest (financial or otherwise);
- c) Tenure of the proposed Transaction (particular tenure shall be specified);
- d) Value of the proposed Transaction;
- e) The percentage of the Company's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed Transaction (and for a Related Party Transaction involving a Subsidiary, such percentage calculated on the basis of the Subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f) If the Transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its Subsidiary:
 - (i) details of the source of funds in connection with the proposed Transaction;
 - (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
- g) Justification as to why the Related Party Transaction is in the interest of the Company;

- h) A copy of the valuation or other external party report, if any such report has been relied upon;
- i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction on a voluntary basis;
- j) Any other information that may be relevant.

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Approvals of Related Party Transactions

All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee.

Provided that the approval for Related Party Transactions shall only be granted by those members of the Audit Committee that are Independent Directors.

A Related Party Transactions to which the Subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of such Transaction whether entered into individually or taken together with previous Transactions during a Financial Year exceeds 10% of the **annual standalone turnover**, as per the last audited financial statements of the Subsidiary.

If any material information with respect to such transactions shall change subsequent to the Audit Committee's review of such transactions, management shall provide the Audit Committee with updated information at a subsequent meeting and will get the changes approved afresh by the Audit Committee.

If any additional Related Party Transactions are proposed to be entered into subsequent to the Audit Committee's last meeting/at the end of every financial year, management shall present such transactions to the Audit Committee for approval before entering into such transaction (which can be taken by calling a meeting or by resolution passed through circulation).

Remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of promoter or promoter group:

- a. shall not require approval of the audit committee provided that the same is not material in terms of the provisions of this Policy.
- b. shall not require disclosure in terms of the provisions of sub-regulation (9) of the regulation provided that the same is not material in terms of the provisions of this Policy.

The members of the audit committee, who are independent directors, 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:

- (i) 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;
- (ii) the transaction is not material in terms of the provisions of this Policy;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of the regulation;
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it."

Note 1: Omnibus Approval by Audit Committee

The Audit Committee may grant omnibus approval to Related Party Transactions proposed to be entered into by the Company or its subsidiary (subject to fulfilment of criteria for granting omnibus approval as specified in this Policy) and such approval shall be applicable to Transactions thereunder which are repetitive in nature.

The Audit Committee shall satisfy itself that there is a need for such omnibus approval and that such approval is in the interest of the Company;

The Omnibus approval shall specify:

- (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 the value of Related Party Transaction not exceeding Rs. 1 crore per transaction.

The Audit Committee shall review, at least once in every quarter, the details of Related Party Transactions entered into by the Company or its subsidiary, pursuant to each omnibus approval granted by the Audit Committee.

Such omnibus approvals shall be valid for a period not exceeding one Year and shall require fresh approvals after the expiry of the one financial Year.

Note 2: BOARD OF DIRECTORS APPROVAL:

Approval of the Board of Directors shall be required for entering into Related Party Transactions which are either not in the ordinary course of business or not an Arm's Length Transaction with respect to:

- i. sale, purchase or supply of any goods or materials;
- ii. selling or otherwise disposing of, or buying, property of any kind;
- iii. leasing of property of any kind;
- iv. availing or rendering of any services;
- v. appointment of any agent for purchase or sale of goods, materials, services or property;
- vi. appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company; and
- vii. underwriting the subscription of any securities or derivatives thereof, of the Company.

Any member of the Board of Directors, who has a potential interest in any Related Party Transaction will recuse himself/herself and abstain from discussion and voting on the approval of the Related Party Transaction.

SHAREHOLDER APPROVAL

Approval of the shareholders of the Company shall be required for entering into:

- 1) Related Party Transactions which are either not in the ordinary course of business or not an Arms' Length Transaction and exceed the limits prescribed under the Companies Act, 2013 read with the rules framed thereunder and the circulars/notifications, etc. issued by the Ministry of Corporate Affairs, as amended from time to time.

As of the date of the adoption of this revised Policy, the thresholds prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, for determining if a Related Party Transaction is material and requires approval from the shareholders of the Company are as follows:

| Prescribed Transaction Categories | Threshold Limits |
|--|--|
| Sale, purchase or supply of any goods or material (directly or through an agent) | Amounting to 10 per cent or more of the turnover of the Company |
| Selling or otherwise disposing of, or buying, property of any kind (directly | Amounting to 10 per cent or more of the net worth of the Company |



| | |
|--|---|
| or through an agent) | |
| Leasing of property of any kind | Amounting 10 per cent or more of the turnover of the Company |
| Availing or rendering of any services | Amounting to 10 per cent or more of the turnover of the Company |
| Appointment to any office or place of profit in the Company, Subsidiary Company or associate Company | Remuneration exceeding rupees 2.5 lakhs per month |
| Underwriting the subscription of any securities or derivatives of the Company | Remuneration exceeding 1 per cent of the net worth of the Company |

- 2) Notwithstanding the above limits, in terms of the requirements of the Listing Regulations, all Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders of the Company through resolution.
- 3) Any member of the Company who is a Related Party, shall not vote on resolution passed for approving a Related Party Transaction, whether such entity is a Related Party to the particular Transaction or not.
- 4) Any Related Party Transaction for which the Audit Committee has granted omnibus approval, shall continue to be placed before the shareholders of the Company if it is or becomes a Material Related Party Transaction.

Exemption from Audit Committee and Shareholders approval for the following transactions:

- 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.
- Transaction entered into between two wholly owned subsidiary of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

4. Monitoring Related Parties and Related Party Transactions

Once the list of transactions/contracts/arrangements are approved by the Audit Committee, RIL would implement controls to ensure that:

- Transactions with related parties do not exceed the limits approved by the Audit Committee.

- No contracts/arrangements/transactions are entered into with new related parties with whom, transactions are not approved by the Audit Committee.

Transaction with related parties of RIL can primarily be initiated through the following channels:

- Legal contracts (for expenses and income-based transactions)
- Purchase order (for expense-based transactions)
- Customer Order Forms

The listing of all related parties along with the listing of transactions approved by the Audit Committee would be retained by the legal/secretarial team. The legal/secretarial team, while approving the contract, would ensure that the contract, if being entered into with any related party, is duly approved by the Audit Committee.

In case any contract/arrangement is proposed to be entered into with a related party but not included in the Audit Committee approved list, the legal team and/or the finance team would evaluate the transaction (based on guidelines in this policy) to determine the approvals required as per this policy.

For obtaining approval for additional transactions, RIL's legal/secretarial team would obtain approval from Audit Committee through a circular resolution.

The Company would present at every Audit Committee meeting, a comparative statement showing the total amount of transactions approved and total amount of transactions incurred till the date of the Audit Committee (or a cut-off date taken few days prior to the Audit Committee date). This will also facilitate Company to seek approval of incremental amounts for transactions, if required.

5. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction by Audit Committee or Board or Shareholders as may be applicable.

6. Disclosure

- Every Related Party Transaction with proper justification shall be disclosed in the Board's Report.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

- The Company shall disclose the policy on dealing with Related Party Transactions on its website and a weblink thereto shall be provided in the Annual Report.
- The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by SEBI from time to time, and publish the same on its website within 45 days of the end of the quarter & 60 days from end of the last quarter & financial year.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

7. Review

This Policy shall be reviewed by the Board of Directors at least once every three years or such other shorter period as the Board may decide, and if required be amended accordingly.

8. Limitation and Amendments

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

In case of ambiguity between the Law, Act, Regulation and policy in respect of interpretation, the decision of Audit Committee shall be binding on the Company.

The Policy has been initially approved by the Board of Directors of the Company on 26 December, 2014 and further, this policy has been amended and adopted by the Board of Directors of the Company as per the following details:

| S.no. | Date of Amendment | Particulars of Amendment |
|-------|-------------------|--|
| 1. | 27 May, 2016 | To incorporate the necessary amendments pursuant to the amendments in the Regulations and the amendments in the Companies Act, 2013 & other changes as deemed necessary. |
| 2. | 23 January, 2019 | |
| 3. | 30 January, 2020 | |
| 4. | 30 May, 2022 | |
| 5. | 14 February, 2025 | To incorporate the necessary changes as deemed necessary. |

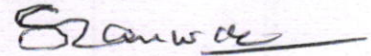
9. Conclusion

It is the Responsibility of every stakeholder to make adequate disclosures or declarations as required under this Policy and shall take all necessary approvals.



This Policy shall be reviewed by the Board of Directors at least once in every three years or such other shorter period as may be required time to time.

For Raunaq International Limited

A handwritten signature in black ink, appearing to read 'S Kanwar', with a horizontal line extending from the end of the signature.

Surinder Paul Kanwar
(Chairman and Managing Director)