

RAGHUVIR SYNTHETICS LIMITED

CIN: L17119GJ1982PLC005424

AMENDED & ADOPTED

**POLICY ON MATERIALITY OF RELATED
PARTY TRANSACTIONS & DEALING WITH
RELATED PARTY TRANSACTIONS**

PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (SEBI (LODR), THE BOARD OF DIRECTORS IN THE BOARD MEETING HELD ON 11TH FEBRUARY 2025 HAVE AMENDMEND THIS POLICY EFFECTIVE WITH 11TH FEBRUARY 2025.

THIS ADOPTED POLICY IS PLACED ON WEBSITE OF THE COMPANY
WWW.RAGHUVIR.COM

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS & DEALING WITH RELATED PARTY TRANSACTIONS OF RAGHUVIR SYNTHETICS LIMITED

Preamble

The Board of Directors ("the Board") of **Raghuvir Synthetics Limited** (the "Company") has adopted the Materiality of Related Party Transactions & Dealing with Related Party Transactions Policy and procedure in relation to Related Party Transactions. The Policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Law and Regulation.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company.

Purpose

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] ("Listing Regulations") and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

Related Party Transactions are considered appropriate only if they are in the best interests of the Company and its Shareholders. The Company is required to disclose each year in the Financial Statements and in the Annual Report transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

Definitions

"**Act**" shall mean the Companies Act, 2013 read with the Rules thereto, as amended from time to time.

"**Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

"**Board**" means Board of Directors of the Company.

"**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.

"**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 construed to include a single transaction or a group of transactions in a contract.

"Material related party transactions" means

- 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 Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company whichever is lower as per the last audited financial statements of the Company.

- A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction 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 statement of the Company.

as defined under Regulation 23 of the Listing Regulations and the contracts or arrangements as defined under Section 188 of the Act read with Rules framed thereunder.

Provided that in case of any amendment(s) in the Act or Listing Regulations, definition of Material Related Party Transactions will be deemed to be changed without any further approval of Audit Committee or Board.

"Material modifications" - In relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, "material modifications" means any variation which either changes the nature of the approved transaction or has an impact on the monetary limits exceeding 20% of approved transactions or Rs. 20 crore whichever is lower, over and above the approved limits, only in case of exigencies.

"Related Party" means related party as defined under sub-section 76 of Section 2 of Companies Act, 2013 or under applicable accounting standards.

"Relatives" shall have the meaning ascribed to the term under section 2(77) of the Act and the relevant Rules thereunder.

"Ordinary Course of Business" means a transaction which is carried out in the normal course of business envisaged in accordance with the Memorandum and Articles of Association of the Company, or any other applicable factors like market conditions, industry practices etc.

"Policy" means Related Party Transaction Policy.

"Key Managerial Personnel" means Key Managerial Personnel in relation to a Company as defined sub- section 51 of Section 2 of the Companies Act, 2013, means and includes:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the whole-time director;
- (iii) the company secretary;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed.

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 2011.

“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.

POLICY AND PROCEDURE

POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

All Related Party Transactions shall require prior approval of Audit Committee. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

PROCEDURE:

A. Disclosure by Directors

Every Director shall at the beginning of the Financial Year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

B. Identification of Transaction with related Parties

Each Director and Key Managerial Personnel is responsible for providing notice to the Company 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. Audit Committee will determine whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

Each Director and Key Managerial Personnel shall make an annual declaration to the Company and this declaration shall be placed before the Board of Directors at their first meeting held in the financial year. Any change in the list of relatives shall be intimated by the Directors and Key Managerial Personnel from time to time, as may be required.

C. Review and approval of Related Party Transaction:

The Company will identify related party transactions in accordance with Section 188 of Act and Regulation 2(1)(zc) of the Listing Regulations. The Company will determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external expert opinion, if necessary.

i. Audit Committee

Related party transactions are regularly referred to the scheduled meeting of Audit Committee for review and approval.

Any member of the Committee or the Directors of the Board who has potential interest in any Related Party Transaction shall not participate / abstain from discussions / voting on the subject matter involving approval of Related Party Transaction.

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

- Name of party and details explaining nature of relationship;
- Duration of the contract and particulars of the contract and arrangement;
- Nature of transaction and material terms thereof including the value, if any;
- Manner of determining the pricing to ascertain whether the same is on arm's length;
- Business rationale for entering into such transaction;
- Any other information relevant or important for the Board to take a decision on the proposed transaction.

Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction. If the Committee determines that the related party transaction is

(i) a Material related party transaction; or

(ii) Transactions are not in the ordinary course of business or not at the arm's length price, the Audit Committee shall place the matter before the Board for obtaining its approval.

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

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) 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 (Rupee One Crore) per transaction.

- d) Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year.

ii. Board of Directors:

Where approval of Board of Directors is required for any related party transaction or if the Board in any case elects to reviews any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Any member of the Board who has any interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

iii. Shareholder approval

In case Board refers a Related Party Transaction for seeking approval of the Shareholders as per the provisions of Companies Act 2013 or listing regulation, if any member of Company is a related party as per this policy, such member of the Company shall not vote on resolution passed for approving such related party transaction.

iv. Transactions which do not require approval

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee:

- (a) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

(b) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

v. 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 Committee. The 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, to the extent permissible under the law.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

INTIMATION TO STOCK EXCHANGE:

Provision of Regulation 23 of the Amendment Regulations provides:

The details of Related Party Transactions shall be disclosed in the Annual report of the Company and shall be submitted, in the prescribed format to the Stock Exchanges as per the provisions of applicable accounting standards, the Act and Listing Regulations.

LIMITATION AND AMENDMENT

Any or all provisions of the Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

This policy (including the thresholds) shall be reviewed by the Board of Directors at least once in three years and/or as and when required and updated accordingly.

EFFECTIVE DATE

This Policy is amended and became effective from 11th February, 2025.

COMMUNICATION OF THIS POLICY

This Policy shall be posted on the website of the Company www.raghuvir.com