RAJKOT INVESTMENT TRUST LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

This Policy on Related Party Transactions (“Policy”) is framed pursuant to:

- Section 177, Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder;
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended from time to time;
- Applicable Indian Accounting Standards (Ind AS);
- RBI Directions applicable to Non-Banking Financial Companies;
- Other applicable laws and regulations.

The objective of this Policy is to ensure proper approval, review and disclosure of transactions between the Company and its Related Parties and to ensure that such transactions are conducted in a transparent manner and in the best interests of the Company and its stakeholders.

2. OBJECTIVES

This Policy aims to:

a) Define the materiality thresholds for Related Party Transactions;

b) Establish procedures for identification, approval, review and reporting of Related Party Transactions;

c) Ensure compliance with statutory and regulatory requirements;

d) Prevent conflicts of interest and protect stakeholder interests;

e) Ensure transparency in dealings with Related Parties.

3. APPLICABILITY

This Policy shall apply to:

- Directors;
- Key Managerial Personnel (KMP);
- Senior Management Personnel;
- Promoters and Promoter Group;
- Subsidiaries;

- Related Parties as defined under applicable laws.

4. DEFINITIONS

4.1 Related Party

“Related Party” shall have the meaning assigned under:

- Section 2(76) of the Companies Act, 2013;
- Regulation 2(1)(zb) of SEBI LODR;
- Applicable Accounting Standards;

and shall include any amendments thereto.

4.2 Related Party Transaction (RPT)

A transfer of resources, services or obligations between:

- The Company and a Related Party; or
- The Company and any other person or entity where the purpose and effect of the transaction is to benefit a Related Party,

regardless of whether a price is charged.

4.3 Material Related Party Transaction

A Related Party Transaction shall be considered material if it exceeds the thresholds prescribed under Regulation 23 of SEBI LODR, as amended from time to time.

4.4 Arm’s Length Transaction

A transaction between two related parties conducted as if they were unrelated, so that there is no conflict of interest.

4.5 Ordinary Course of Business

Transactions that are entered into in the normal course of business activities of the Company.

5. IDENTIFICATION OF RELATED PARTIES

The Company shall maintain an updated database of Related Parties based on:

- Disclosures received from Directors and KMPs;
- Corporate records;
- Shareholding records;
- Applicable regulatory requirements.

Every Director and KMP shall promptly disclose any change in Related Party relationships.

6. RELATED PARTY TRANSACTIONS COVERED

The following transactions shall be covered under this Policy:

- Sale, purchase or supply of goods or materials;
- Leasing of property;
- Availing or rendering services;
- Appointment of agents;
- Transfer of resources, services or obligations;
- Loans, guarantees and securities;
- Borrowings and deposits;
- Any transaction covered under Section 188 of the Companies Act, 2013;
- Any transaction classified as an RPT under SEBI LODR.

7. REVIEW OF RELATED PARTY TRANSACTIONS

All Related Party Transactions shall be reviewed considering:

- Business rationale;
- Commercial terms;
- Arm's length nature;
- Ordinary course of business criteria;
- Impact on Company and stakeholders.

8. APPROVAL OF RELATED PARTY TRANSACTIONS

A. Audit Committee Approval

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee.

The Audit Committee may grant omnibus approval for repetitive transactions in accordance with applicable laws.

While granting approval, the Audit Committee shall consider:

- Name of related party;

- Nature and duration of transaction;
- Material terms;
- Value of transaction;
- Business purpose;
- Any other relevant information.

B. Board Approval

Board approval shall be obtained wherever required under:

- Companies Act, 2013;
- SEBI LODR;
- RBI Directions.

Interested Directors shall not participate in discussions or voting on such matters.

C. Shareholder Approval

Material Related Party Transactions shall require prior approval of shareholders through resolution in accordance with SEBI LODR and applicable laws.

All Related Parties shall abstain from voting on resolutions approving Material Related Party Transactions, whether such related party is a party to the transaction or not, except where specifically permitted by law.

9. OMNIBUS APPROVAL

The Audit Committee may grant omnibus approval for repetitive transactions subject to:

- Criteria approved by the Audit Committee;
- Maximum value limits;
- Validity period not exceeding one financial year;
- Compliance with applicable laws.

Fresh approval shall be obtained after expiry of the omnibus approval period.

10. MATERIAL MODIFICATIONS

Any material modification to an approved Related Party Transaction shall require prior approval of the Audit Committee and such other approvals as may be required under applicable laws.

For the purpose of this Policy, “Material Modification” means any change in the value, duration, scope or terms of the transaction exceeding ten percent (10%) of the originally approved transaction value or such threshold as may be prescribed by law.

11. TRANSACTIONS NOT REQUIRING APPROVAL

The following transactions may be exempt to the extent permitted under applicable laws:

- Transactions between the Company and its wholly owned subsidiary where accounts are consolidated and placed before shareholders;
- Transactions specifically exempted under SEBI LODR or Companies Act;
- Transactions entered into by banks and NBFCs where exempted by applicable regulatory provisions.

Such exemptions shall be subject to applicable legal requirements.

12. DISCLOSURE REQUIREMENTS

The Company shall make disclosures relating to Related Party Transactions as required under:

- Companies Act, 2013;
- SEBI LODR;
- Indian Accounting Standards;
- RBI Directions.

The Company shall submit disclosures to Stock Exchange(s) within prescribed timelines and publish the Policy on its website.

13. RELATED PARTY REGISTER

The Company shall maintain:

- Register of Contracts and Arrangements in which Directors are interested;
- Related Party Transaction Register;
- Supporting records and approvals.

Such records shall be preserved in accordance with applicable laws and Company policies.

14. ROLE OF MANAGEMENT

The Management shall:

- Identify Related Parties;
- Monitor Related Party Transactions;
- Provide necessary information to the Audit Committee;
- Ensure compliance with this Policy.

15. ROLE OF COMPANY SECRETARY

The Company Secretary shall:

- Maintain records of approvals;
- Ensure regulatory compliance;
- Facilitate disclosures;
- Monitor implementation of this Policy.

16. NON-COMPLIANCE

Any Related Party Transaction entered into without requisite approval shall be reviewed by the Audit Committee and/or Board.

Appropriate corrective actions may be taken in accordance with applicable laws.

17. REVIEW OF POLICY

This Policy shall be reviewed by the Board at least once every three years or earlier if required due to:

- Amendments in law;
- Regulatory changes;
- Business requirements.

18. AMENDMENTS

The Board may amend this Policy from time to time.

Any statutory amendment shall automatically apply to this Policy to the extent of such amendment.

19. EFFECTIVE DATE

This Policy shall come into effect from the date of approval by the Board of Directors and shall remain in force until amended or replaced.

ANNEXURE – INFORMATION TO BE PROVIDED TO AUDIT COMMITTEE

The following information shall be provided while seeking approval:

RAJKOT INVESTMENT TRUST LIMITED

1. Name of Related Party;
2. Nature of relationship;
3. Nature of transaction;
4. Duration of transaction;
5. Transaction value;
6. Percentage of annual turnover, if applicable;
7. Commercial terms;
8. Whether at arm’s length;
9. Whether in ordinary course of business;
10. Any other relevant information.