

RKB GLOBAL LIMITED

Policy on Related Party Transactions
(Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015)

1. LEGAL REQUIREMENTS:

As per the requirements of Regulations 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”), as amended from time to time, this Policy on Related Party Transactions (“Policy”) is framed to regulate and provide directions for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulations 23 read with 2(1) of the Regulations, as amended from time to time, and for identification of related parties.

The Policy shall be reviewed by the Audit Committee at least once in three years and appropriate recommendations shall be made by the Audit Committee to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

2. OBJECTIVE:

The objective of this Policy is to set out

- (a) the basis of identifying related parties of the Company,
- (b) the basis of identifying related party transactions,
- (c) the materiality thresholds for related party transactions; and
- (d) the manner of entering into Related Party Transactions and approval mechanism.

3. DEFINITIONS:

The terms used in the Policy shall have the same meaning as defined under the Act or the Regulations.

4. MATERIALITY THRESHOLDS:

The materiality thresholds for transactions with related party would be in terms of Regulation 23 read with Schedule XII of the Regulations. In any event, if a Related Party Transaction (“RPT”) exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Further, Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved RPT.

None of the related parties (“RPs”) of the Company shall vote to approve on such resolution irrespective of whether the entity is a RP to the particular transaction or not. However, an RP can cast only negative vote to reject the resolution seeking approval of material RPT.

A modification in related party transactions approved earlier shall be considered as material in nature if the variation in the value is more than 20% of the RPT already approved or such limit as prescribed by the SEBI under the Regulations.

5. APPROVAL MECHANISM:

A. AUDIT COMMITTEE APPROVAL:

1. The Company shall not enter into any RPTs without prior approval of the Audit Committee. Further, all subsequent material modifications in the RPTs already approved, other than those with exempted, will also require prior approval of the Audit Committee.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve RPTs.

2. A RPT 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, or such limit as prescribed under the Regulations.
3. Prior approval of the Audit Committee of the Company shall *not* be required for
 - a RPT to which the Listed Subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of the Regulations are applicable to such Listed Subsidiary.

Explanation: For RPTs of Unlisted Subsidiaries of a Listed Subsidiary of the Company. as referred above, the prior approval of the Audit Committee of the Listed Subsidiary shall suffice.

- 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.
 - Transactions entered into between 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.
 - 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, provided that the same is not material in terms of the provisions of Regulation 23(1).
4. The members of the Audit Committee, who are Independent Directors, may ratify RPTs 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 RP, 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 Regulation 23(1) of the Regulations;

- 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 RPTs in terms of the provisions of Regulation 23(9) of the Regulations; and
- 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 RP to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.

5. Omnibus Approval:

- a) The Audit Committee may, in the interest of the conduct of affairs of the Company and subject to the provisions of the Act and Regulations, grant omnibus approval for RPTs proposed to be entered into by the Company or its Subsidiary that are repetitive in nature, subject to the following disclosures:
 - i. The name(s) of the RP, 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.
- b) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
 - i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. The maximum value per transaction which can be allowed;
 - iii. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv. review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made; and
 - v. transactions which cannot be subject to the omnibus approval by the Audit Committee.
- c) The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for RPT that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.
- d) The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
- e) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

- f) Below are the criteria for granting omnibus approval:
- i. The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be 50% of the annual consolidated turnover of the Company as per its last audited financial statements, subject to the transaction(s) exceeding the materiality threshold which require shareholder approval will not be considered for this limit.
 - ii. The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in the Policy. Should the value per transaction, through omnibus route, exceed the materiality threshold as defined in the Policy, the same shall be subject to approval of shareholders of the Company.
- g) Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
- i. Transactions which are not at arm's length or not in the ordinary course of business;
 - ii. Transactions which are not repetitive in nature;
 - iii. Transactions exceeding materiality thresholds as laid down in the Policy;
 - iv. Transactions in respect of selling or disposing of the undertaking; and
 - v. Any other transaction as the Audit Committee may deem not fit for omnibus approval.

B. BOARD'S APPROVAL:

All kinds of transactions specified in Section 188 of the Act and which are not in the ordinary course of business or not at arm's length basis, require Board approval.

Further, the below RPTs will also require Board approval:

- a) Transactions which, as per this Policy, require Board approval;
- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and refer the same to the Board for approval;
- c) Transactions which the Audit Committee refer to the Board for its approval; and
- d) Transactions which are required to be placed before the shareholders for approval.

C. SHAREHOLDERS' APPROVAL:

All material RPT and subsequent material modifications, as defined aforesaid, other than those which are exempted under the Act and Regulations, shall require prior approval of the shareholders of the Company through resolution. Further, all kinds of transactions specified under Section 188(1) of the Act which are not at Arm's Length or not in the ordinary course of business will also require prior approval of the shareholders.

While voting on such resolutions seeking shareholders approval, no RP shall vote to approve such resolution whether the entity is a RP to the particular transaction or not. However, RP's can cast only negative vote to reject the shareholders resolution of material RPT.

In case the RPTs was entered without taking prior approval, the approval of the shareholders shall be obtained within 3 months of entering into the transactions.

6. DISCLOSURES:

- a) The Company shall disclose, in the Board's report transactions prescribed in Section 188(1) of the Act with RP,
 - which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction; and
 - which are in ordinary course of business or at arm's length basis but material in nature.
- b) The Company shall place all the information, as specified in the Regulations, the Act as well as additional information specified by SEBI from time to time, in the notice of the meeting sent for review of the Audit Committee/Board/Shareholders, as the case may be, seeking approval/ratification of the RPTs.
- c) The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed, in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.
- d) The Company shall upload this Policy, as amended, on its website.
