

RUCHI INFRASTRUCTURE LIMITED

POLICY

ON

MATERIALITY OF

RELATED PARTY TRANSACTIONS

AND

ON DEALING WITH

RELATED PARTY TRANSACTIONS



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RUCHI INFRASTRUCTURE LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

1. INTRODUCTION AND BACKGROUND

Ruchi Infrastructure Limited (the “Company”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. SCOPE & INCLUSION

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. TERMS AND REFERENCES

3.1 Material Related Party Transactions

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 with such related party during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.2 Subsequent Material Modification

A material related party transaction will be considered to be subsequently materially modified if a transaction entered into with such related party or taken together with previous transactions done with such related party individually during a financial year, exceeds in value by 20 percent of the value of material transaction approved initially.

For transactions which are not material in terms of clause 3.1, any renewal or continuation of transaction/agreement with the related party on the terms and conditions previously approved by Audit Committee shall not be considered as modification or material modification or subsequent material modification.

4. POLICY

4.1 All related party contracts/arrangements shall be entered on arms' length basis.

4.2 In exceptional circumstances, where permitted by law, related party contracts/arrangements may deviate from the principle of arm's length, after approval from Audit Committee.



- 4.3 All related party contract/arrangements shall comply with the Companies Act, 2013.
- 4.4 All related party contract/arrangements shall comply with applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.5 All related party contract/arrangements shall comply with Indian Accounting Standards.
- 4.6 All domestic related party contracts/arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- 4.7 All international related party contract/arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- 4.8 Approval of Audit Committee shall be taken for related party contracts/arrangements as required under the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.9 All related party transactions and subsequent material modifications (if any) shall require prior approval of Audit Committee.
- 4.10 All material related party transactions and subsequent material modifications (if any) shall be approved by the shareholders of the Company through resolution.

The present revision in Policy on Materiality of Related Party Transactions and on dealing with related party transactions has been approved by the Board of Directors at its meeting held on 11th February, 2022 and is effective with effect from 1st April, 2022.

