



RATHI BARS LIMITED

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CIN No: L74899DL1993PLC054781

POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE:

The Board of Directors (the "board") of Rathi Bars Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions (RPT) as defined below. The Audit Committee will review and may amend this policy from time to time.

2. PURPOSE:

This policy is framed as per requirements of Regulation 23 (1) of the SEBI (LODR) Regulations, 2015 and intended to ensure the proper approval and reporting of transactions between the Company and its related parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the financial statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. DeFINITIONS:

"Audit Committee or Committee" means committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and the Listing Regulations;

"Board" means the Board of directors of Rathi Bars Limited;

"CONTROL" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeover) regulations, 2011

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes:

- I. Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- II. Company Secretary; and
- III. Chief Financial Officer

"Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% percent of the annual turnover or 20% of the net worth of the company as per the last audited financial statements of the company, whichever is higher;

"Policy" means Related Party Transaction Policy.

"Related Party" means related party as defined in Regulation 23 of the SEBI (LODR) Regulations, 2015 and section 188 of the Companies Act, or Accounting Standard:

"Related Party transactions" means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged;

"Relative" means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if-

- I. They are members of a Hindu Undivided family;
- II. They are husband and wife; or

- III. Father (including step-father)
- IV. Mother (including step-mother)
- V. Son (including step-son)
- VI. Son's wife
- VII. Daughter
- VIII. Daughter's husband
- IX. Brother (including step-brother)
- X. Sister (including step-sister)

“**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.

4. Policy:

All Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and Clause 49 of the Listing Agreement will be approved by the Audit Committee of the Board from time to time.

Consent of the Board and the Shareholders would be taken in respect of all Related Party Transactions, except in the following cases:

- I. Where the transactions are below the threshold limits specified in the Companies Act 2013 & Rules there under or the Listing Agreements, as may be applicable; or
- II. Where the transactions are entered into by the company in its Ordinary course of business and are on an arms' length basis; or
- III. Where the transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules there under, regulation 23 (1) of the SEBI (LODR) Regulations, 2015 and other applicable provisions for the time being in force.

5. Review of the Policy:

The Committee and/ or Board may review, alter, amend or modify the Policy from time to time in line with the requirement of the Companies Act, 2013, SEBI Regulations or any other statutory provisions applicable to the Company.

6. RPT not approved under this policy:

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this policy prior to its consumption, the matter shall be reviewed by the committee. The committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a RPT that has been commenced without approval, the committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a RPT, the Committee has authority to modify or waive any procedural requirement of this Policy.

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