

# **RELATED PARTY TRANSACTION POLICY**

## **RIDDHI CORPORATE SERVICES LIMITED**

### **1. PREAMBLE**

This Related Party Transaction Policy ("Policy") has been framed pursuant to the provisions of the Companies Act, 2013, the rules made thereunder, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and other applicable laws.

The Board of Directors of **Riddhi Corporate Services Limited** ("Company") has adopted this Policy to ensure proper approval, review, monitoring and disclosure of transactions between the Company and its Related Parties.

The Policy is intended to ensure that Related Party Transactions ("RPTs") are conducted in a transparent manner and in the best interests of the Company and its stakeholders.

### **2. OBJECTIVE**

The objectives of this Policy are to:

1. Establish procedures for identification of Related Parties and Related Party Transactions.
2. Ensure compliance with applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.
3. Provide a framework for approval and reporting of Related Party Transactions.
4. Ensure that Related Party Transactions are undertaken on an arm's length basis and in the ordinary course of business wherever applicable.
5. Protect the interests of shareholders and other stakeholders.

### **3. DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

#### **a) Related Party**

"Related Party" shall have the meaning assigned under:

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

## **b) Related Party Transaction**

"Related Party Transaction" shall mean a transaction involving transfer of resources, services or obligations between:

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

irrespective of whether a price is charged and as defined under applicable laws.

## **c) Material Related Party Transaction**

A Related Party Transaction shall be considered material if it exceeds the thresholds prescribed under the SEBI Listing Regulations or any statutory modification thereof from time to time.

## **d) Arm's Length Transaction**

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

## **e) Ordinary Course of Business**

Transactions that are carried out in the normal course of business activities of the Company.

# **4. IDENTIFICATION OF RELATED PARTIES**

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

- Directors;
- Key Managerial Personnel (KMP);
- Promoters and Promoter Group;
- Significant Shareholders;
- Other persons/entities as prescribed under applicable laws.

Every Director and KMP shall provide disclosures in prescribed forms and promptly inform the Company Secretary regarding any change in such relationships.

# **5. IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

The Company shall identify all transactions proposed to be entered into with Related Parties, including but not limited to:

1. Sale, purchase or supply of goods or materials.
2. Availing or rendering of services.

3. Leasing of property.
4. Appointment of agents.
5. Appointment to any office or place of profit.
6. Underwriting of securities.
7. Loans, guarantees, investments and securities.
8. Transfer of resources, services or obligations.
9. Any transaction covered under Section 188 of the Companies Act, 2013.
10. Any transaction specified under the SEBI Listing Regulations.

## **6. APPROVAL OF RELATED PARTY TRANSACTIONS**

### **6.1 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 subject to applicable laws.

While granting approval, the Audit Committee shall consider:

- Name of Related Party;
- Nature of relationship;
- Nature, duration and particulars of transaction;
- Material terms and conditions;
- Value of transaction;
- Business rationale;
- Arm's length nature of transaction;
- Any other relevant information.

### **6.2 Board Approval**

Transactions falling under Section 188 of the Companies Act, 2013 and not meeting the exemption criteria shall require approval of the Board of Directors.

Interested Directors shall abstain from discussion and voting on such matters.

### **6.3 Shareholders' Approval**

Related Party Transactions requiring approval under:

- Section 188 of the Companies Act, 2013; and/or
- Regulation 23 of the SEBI Listing Regulations,

shall be placed before the shareholders for approval by way of an Ordinary Resolution or such other resolution as may be prescribed.

Related Parties shall abstain from voting on resolutions relating to such transactions where required by law.

## **7. OMNIBUS APPROVAL**

The Audit Committee may grant omnibus approval for Related Party Transactions subject to:

- Compliance with applicable law;
- Maximum value per transaction;
- Validity period not exceeding one financial year;
- Periodic review by the Audit Committee.

The omnibus approval shall specify:

- Name of Related Party;
- Nature of transaction;
- Periodicity;
- Maximum amount;
- Pricing mechanism.

## **8. REVIEW AND MONITORING**

The Audit Committee shall review Related Party Transactions periodically.

The review shall include:

- Actual transactions entered into;
- Utilization of omnibus approvals;
- Compliance with approved terms;
- Material modifications, if any.

The Committee may seek additional information whenever considered necessary.

## **9. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED**

In the event any Related Party Transaction is entered into without obtaining the requisite approval:

1. The matter shall be placed before the Audit Committee and/or Board for ratification.
2. The Audit Committee shall consider all relevant facts and circumstances.
3. The Committee may:
  - Ratify the transaction;
  - Modify the transaction;
  - Recommend termination of the transaction;
  - Take any corrective action deemed appropriate.

## 10. DISCLOSURES

The Company shall make necessary disclosures regarding Related Party Transactions in accordance with:

- Companies Act, 2013;
- SEBI Listing Regulations;
- Applicable Accounting Standards;
- Secretarial Standards; and
- Any other applicable law.

The Policy shall be displayed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

## 11. RECORDS AND DOCUMENTATION

The Company Secretary shall maintain:

- Register of contracts and arrangements in which directors are interested;
- Related Party disclosures;
- Approvals obtained;
- Supporting documents and agreements;
- Minutes and records of Audit Committee and Board deliberations.

Such records shall be preserved in accordance with the Company's Record Retention Policy and applicable laws.

## 12. AMENDMENT

The Board of Directors may amend, modify or revise this Policy from time to time in line with statutory requirements and business needs.

In case of any inconsistency between this Policy and applicable laws, the provisions of the applicable laws shall prevail.

## 13. EFFECTIVE DATE

This Policy shall come into force upon approval by the Board of Directors of **Riddhi Corporate Services Limited** and shall remain in force until modified or rescinded by the Board.

**CERTIFIED TRUE COPY**

**For Riddhi Corporate Services Limited**

**Chairman of the Board**

Date: 22-04-2025

Place: Ahmedabad, Gujarat

**Version: 1.0**

**Approved by the Board on: 22-04-2025**

**Review Frequency: Annual or as required under applicable law.**