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Policy on Related Party Transactions

A. OBJECTIVE

The Board of Directors ("Board") of Rama Petrochemicals Limited (RPCL), acting upon the recommendation of its Audit Committee has adopted the following policy ("Policy") and procedures with regard to Related Party Transactions (defined hereinafter). This Policy is framed as per requirement of the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ("SEBI Listing Regulations") and the Companies Act, 2013, as amended from time to time.

The objective of this Policy is to ensure that the Related Party Transactions (defined hereinafter) are based on principles of transparency and arm's length pricing. Likewise, this Policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of Related Party Transactions, including where RPCL is not a party. This Policy outlines the basis on which the materiality of related party transactions will be determined and the manner of dealing with the related party transactions by RPCL.

1. DEFINITIONS

a. "**Act**" means Companies Act, 2013

b. **"Annual Consolidated Turnover"** means Total Income as per the last audited Consolidated Financial Statements.

c. **"Annual Standalone Turnover of subsidiary"** means Total Income as per the last audited Standalone Financial Statements and is comprised of Revenue from operations and Other Income.

d. **"Audit Committee"** means the Committee of the Board of Directors of RPCL constituted under provisions of the Companies Act, 2013, SEBI Listing Regulations and any other applicable laws, regulation, and rules.

e. **"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.

f. **"Material Modification"** means any modification, either individually or taken together with any previous modification, made in the nature, value/exposure, or other terms and conditions of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25% or more or Rs. 50 crores, whichever is higher, or by which the transaction ceases to be in ordinary course and/or on arm's length or such other parameter as may be determined by the Audit Committee from time to time.

Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.), or is of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties shall not be regarded as material modification.

g. "**Material Related Party Transaction under the Act**" means transactions as provided in Section 188 of the Act entered into with a related party as defined under Section 2 (76) of the Act that is not in the ordinary course of business or not on an arm's length basis and exceeds the threshold as specified in Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2015.

h. **"Material Related Party Transaction under SEBI Listing Regulations"** means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the Annual Consolidated Turnover of RPCL, whichever is lower.

Provided that, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the Annual Consolidated Turnover of RPCL.

i. **"Related Party"** means a person or entity that is related to the company as defined under Regulation 2(1)(zb) of the SEBI Listing Regulations, as may be amended from time to time.

j. **"Related Party Transaction"** means a transaction involving transfer of resources, services or obligations as per Regulation 2(1)(zc) of the SEBI Listing Regulations, as may be amended from time to time.

2. POLICY

Review and approval of Related Party Transactions must be dealt with in accordance with this Policy.

3. IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS

The Management will inform any change in the list of Related Parties including Related Parties of the subsidiaries to the Board/Audit committee from time to time.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

No transaction would be entered into with any Related Party of RPCL or of the subsidiary, which is not in compliance with applicable law. Any Related Party Transaction would go through the approval process as laid down hereunder.

B. Audit Committee

a. Prior approval of the Audit Committee to be obtained for all Related Party Transactions and subsequent Material Modifications (with effect from April 01, 2022) undertaken by RPCL, except for transactions between RPCL and its wholly owned subsidiary company;

b. Prior approval of the Audit Committee to be obtained for all Related Party Transactions, and subsequent Material Modification thereof, undertaken by the subsidiary and to which RPCL is not a party:
   i. with effect from April 1, 2022, if the value of the transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees fifty crore or ten per cent of the Annual Consolidated Turnover of RPCL whichever is lower;
   ii. with effect from April 1, 2023, if the value of the transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees fifty crore or ten per cent of the Annual Standalone Turnover of the subsidiary whichever is lower.

c. Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

d. The Audit Committee shall be provided with all relevant material information in accordance with requirements of the SEBI Listing Regulations and the Act, the rules made thereunder as amended from time to time or as requested by the Audit Committee.

e. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself or herself from the meeting and shall abstain from discussion and voting on the approval of the related party transaction.

f. The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

C. Board of Directors

Prior approval of the Board of Directors to be obtained for related party transactions which are not in ordinary course of business or not on arm's length in accordance with Section 188 of the Act.

D. Shareholders

Prior approval of the shareholders shall be obtained for Material Related Party Transactions under SEBI Listing Regulations and subsequent Material Modifications except for Related Party Transactions between RPCL and its wholly owned subsidiaries.

a. Prior approval of the shareholders shall be obtained for Material Related Party Transactions under the Act in accordance with Section 188 of the Act.

b. The shareholders shall be provided with relevant information as per applicable law. All the shareholders of RPCL who are related parties cannot vote to approve the resolution.

5. DECISION REGARDING TRANSACTIONS IN ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH

The Audit Committee or the Board shall after considering the information placed before them satisfy themselves that the transaction is in the ordinary course of business and meets the arm's length requirements.

6. OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS

The Audit Committee may grant omnibus approval in accordance with the provisions of Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 (3) of the SEBI Listing Regulations for Related Party Transactions which are of repetitive/regular nature proposed to be entered into. The Audit Committee would review on a quarterly basis the details of such Related Party Transactions entered into pursuant to each of the omnibus approval given. The approval will remain valid for a period of one financial year. Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

7. DISCLOSURE OF THE POLICY

This Policy will be uploaded in the website of RPCL at http://www.ramapetrochemicals.com and the web link thereto will be provided in Corporate Governance section in the Annual Report.

RPCL will also submit disclosures of Related Party Transactions to stock exchanges as prescribed by SEBI Listing Regulations and publish the same on its website mentioned above.

8. POLICY REVIEW

This Policy is framed based on the provisions of the SEBI Listing Regulations, the Companies Act, 2013 and rules thereunder and other applicable law. In case of any subsequent changes in the provisions of the SEBI Listing Regulations or the Companies Act, 2013 and rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy has been approved by the Board on May 30, 2022 and shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly.

For RAMA PETROCHEMICALS LIMITED

HARESH D. RAMSINGHANI
MANAGING DIRECTOR
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