

RJ Shah and Company Limited

New Related Party Transactions Policy

(in accordance with the Companies Act, SEBI Listing Regulations (Reg. 23))

1. Objective

The objective of this Policy is to lay down the materiality thresholds and the manner of dealing with transactions between the Company and its Related Parties in accordance with the Companies Act, SEBI Listing Regulations (Reg. 23), and other applicable laws, ensuring transparency, fairness, and protection of shareholders' interests.

2. Scope and Purpose

This Policy applies to all Related Party Transactions (RPTs) to secure proper approval and reporting and to protect the Company from conflicts of interest that may arise from Related Party dealings.

3. Definitions

Related Party: As defined in the Companies Act and SEBI Listing Regulations, including directors, key managerial personnel, their relatives, associates, subsidiaries, joint ventures, and others as prescribed.

Arm's Length Transaction: A transaction between Related Parties conducted as if they were unrelated, ensuring no conflict of interest.

4. Identification of Related Parties and Transactions

All Directors and Key Managerial Personnel (KMP) must disclose their interest in Related Parties annually and whenever there is a change.

5. Approval Process

Audit Committee: All RPTs require prior approval/recommendation of the Audit Committee, with members having a potential interest abstaining from voting.

Board Approval: RPTs not requiring shareholders' approval but exceeding materiality thresholds must be approved by the Board.

Shareholder Approval: Material RPTs as defined under Regulation 23 require prior approval by the shareholders.

6. Materiality Thresholds

Transactions exceeding thresholds specified in Regulation 23 must be approved as per SEBI guidelines.

Ratification of related party transactions by Audit Committee is allowed within stipulated limits.

7. Disclosure and Reporting

RPTs must be disclosed in the Board's report, financial statements, and on the Company's website as mandated.

Quarterly statements of RPTs to be reviewed by the Audit Committee.

8. Documentation

Proper records of RPTs including valuation or external reports, rationale for transactions, and turnover impact must be maintained.

9. Review and Amendments

The Board and the Audit Committee will periodically review this Policy and amend it to comply with applicable laws and regulations.

This draft aligns with the latest SEBI circulars and revised industry standards effective July and September 2025 and serves as a strong governance framework for handling related party dealings.
