

**RELATED PARTY TRANSACTION POLICY**  
**OF**  
**RARE EQUITY PRIVATE LIMITED**

**1. Background**

Pursuant to Fifth Amendment to the SEBI Listing Regulations, 2015 (“SEBI Listing Regulations”) dated 7 September 2021, certain corporate governance provisions under Chapter IV of the SEBI Listing Regulations have been extended to “High Value Debt” Listed Entities. High Value Debt listed entities are those entities which have listed its non-convertible debt securities and the outstanding value of such non-convertible debt securities is Rs. 500 Crore (Rupees Five Hundred Crore) or more. Accordingly, the Company being one such entity is required to comply with Regulations 23 of the SEBI Listing Regulations, 2015.

**2. Introduction**

This policy is adopted by the Board with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions (RPT) in the Companies Act, 2013 (“Act”) read with the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**3. Purpose**

The Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended (“Listing Regulations”) requires all listed companies to formulate a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the Board of Directors. The regulation further requires that the audit committee of Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions. This Policy has been framed for complying with above requirement.

**4. Definitions**

- i. “Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- ii. “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.
- iii. “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

- iv. **“Company”** means Rare Equity Private Limited.
- v. **“Director”** means a person as defined in Section 2 (34) of the Companies Act, 2013.
- vi. **“Employees”** shall mean the employees and office-bearers of the Company,
- vii. **“Key Managerial Personnel”** shall mean “Key Managerial Personnel” as defined in Section 2 (51) of the Companies Act, 2013 read with related rules issued thereon.
- viii. **“Material Related Party Transaction”** In accordance with Regulation 23 of the Listing Regulations, w.e.f. 01/04/2022 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 during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other limit as may be specified in the applicable Regulation as amended from time to time.
- ix. **“Material Modification”** means increase in value of transactions approved by Audit Committee by 20 %.
- x. **“Ordinary Course of Business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association. The Audit Committee may lay down principles from time to time for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.
- xi. **“Policy”** means Related Party Transactions Policy and dealing with Related Party Transactions.
- xii. **“Relative”** shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.
- xiii. **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:  
Provided that:
  - a. any person or entity forming a part of the promoter or promoter group of the Company; or
  - b. any person or any entity, holding equity shares:
    - (i) of twenty per cent or more; or
    - (ii) of ten per cent or more, with effect from April 1, 2023;

in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

- xiv. **“Related Party Transaction or transactions”** means a transaction involving a transfer of resources, services or obligations between:
- i. a Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
  - ii. a Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Provided that the following shall not be a related party transaction:

- a. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. the following corporate actions by the company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

## **5. Policy on Related Party Transactions**

### **A. Identification of Potential Related Party Transactions:**

For the purpose of identification of Potential Related Party Transactions, each director and Key Managerial Personnel shall give notice of disclosure of interest on an annual basis and upon any subsequent modifications in the last disclosure

provided. The Company shall ensure that no transaction is entered into with any Related Party without requisite approvals.

## **B. Review and approval of Related Party Transactions**

As per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013, all the Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Act or Rules made thereunder or Listing Regulations from time to time, subject to the following:.

### **i. Omnibus Audit Committee approval:**

- a) The Audit Committee may grant omnibus approval for Related Party Transactions provided it is satisfied that there is a need to grant such approval and the same is in the interest of the Company. Such approval may be granted by Audit Committee for the proposed transactions subject to the following:
  - i. Transactions are repetitive/frequent in nature;
  - ii. Justification for the need of omnibus approval.
- b) Such omnibus approval shall specify the following:
  - Name of the related parties,
  - Nature and duration of transaction
  - Maximum amount of transaction that can be entered into;
  - The indicative base price or current contracted price and the formula for variation in the price if any; and
  - Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied or amended.

- c) Provided that where the need for related party transaction cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs. 1 Crore per transaction.
- d) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. Further, such omnibus approvals shall be valid

for a period not exceeding one financial year and shall require fresh approval after the expiry of the same.

## **6. Disclosures**

- a) The Company is required to disclose Related Party Transactions in the Company's Board's Report to shareholders of the Company at the Annual General Meeting.
- b) The Company is also required to disclose this Policy on its website and also in the Annual Report of the Company.
- c) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party.

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

## **7. Policy Review**

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013, Listing Regulations or any other regulations ("the Regulations") which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

Any changes or modification on the Policy as recommended by the Audit Committee would be presented for review and approval of the Board of Directors.