



RATNADEEP RETAIL LIMITED

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING
WITH RELATED PARTY TRANSACTIONS**

Name	Policy On Materiality of Related Party Transactions And Dealing with Related Party Transactions
Approval Date	20th June, 2026
Review Frequency	As and when required pursuant to changes in Applicable Laws
Version	Version 1.0

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

DEFINITIONS AND INTERPRETATION

1. Definitions

In this Policy, unless the context otherwise requires:

“**Audit Committee**” shall mean the committee of the Board constituted in pursuance of Section 177 of the Companies Act and Regulation 18 of SEBI Listing Regulations;

“**Board**” shall mean the board of directors of the Company;

“**Companies Act**” shall mean the Companies Act, 2013, including any statutory modification or re-enactment thereof;

“**Company**” shall mean Ratnadeep Retail Limited;

“**Director(s)**” shall mean a member of the Board;

“**Key Managerial Personnel**” shall mean the person(s) appointed as such in pursuance of Section 203 read with Section 2(51) of the Companies Act;

“**Material Modification**”, in relation to a Related Party Transaction approved by the Audit Committee or a material Related Party Transaction approved by the shareholders of the Company, as the case may be, means any amendment or variation in the scope, value, tenure, pricing mechanism or other material terms of an approved Related Party transactions which, individually or cumulatively during a financial year, exceeds 10% of the value of transaction originally approved by the Audit Committee or the shareholders, as applicable.

“**Material Related Party Transaction**” shall have the meaning ascribed to it in Clause 4.2. hereof.

“**Ordinary Course of Business**” with reference to a transaction with a Related Party shall mean a transaction which falls within the normal course of business of the Company. In determining whether a transaction is in the ordinary course of business, the Audit Committee may, without limitation, consider the following factors:

- i. carried out in the normal course of business envisaged in accordance with the memorandum of association of the Company as amended from time to time.
- ii. historical practice and repetitive/frequent in nature.
- iii. normal and otherwise routine in the particular business.
- iv. common in a particular industry.
- v. in furtherance of business objectives and/or business purposes of the Company.
- vi. meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time.

vii. Any other relevant factor or criterion as the Audit Committee or the Board may consider appropriate from time to time.

“Policy” shall mean this Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, as amended from time to time;

“Related Party”, in relation to the Company, shall mean a party related with the Company in any of the ways as laid down in Section 2(76) of the Companies Act, Rules, SEBI Listing Regulations or under applicable accounting standards, each as amended;

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

“Relative” with reference to any person, shall mean anyone who is related to another person as defined under Section 2(77) of the Companies Act and applicable accounting standards, each as amended;

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

- i. the Company or any of its subsidiaries, on the one hand, and a related party of the Company or any of its subsidiaries, on the other hand or
- ii. the 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.

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 or arrangement and shall include transactions regarded as a “Related Party Transaction” under the relevant provisions of the Companies Act, the SEBI Listing Regulations or any other related law, regulation, standard, each as amended;

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 as amended.
- b. the following corporate actions, 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. retail purchases from the Company or any of its subsidiaries by the directors or key managerial personnel of the Company or any of its subsidiaries or their relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel

“**Rules**” shall mean the rules framed under the Companies Act, as amended from time to time.

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Specified RPT**” shall have the meaning ascribed to it in Clause 4.3.9. hereof.

2. Interpretation

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Rules, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder, including the SEBI Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee shall be final. In interpreting such a term/provision, the Audit Committee may seek the help of any of the officers of the Company or an external expert as it deems fit.

3. Objectives

3.1. Regulation 23 of the SEBI Listing Regulations requires the Company 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.

3.2. Accordingly, the Board has adopted the following Policy about related party transactions. The Policy has been prepared in accordance with Section 177 and Section 188 of the Companies Act and applicable provisions of the SEBI Listing Regulations. The Audit Committee shall review this Policy on an annual basis and propose any modifications to the Board for approval. The Policy shall be reviewed by the Board at least once every three years and updated accordingly.

4. Procedure

4.1. Identification of Related Parties

4.1.1. The Company shall identify Related Parties as per the requirements of the Companies Act, 2013, Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable accounting standards and other applicable laws, as amended from time to time, and shall maintain and update the list of Related Parties from time to time;

4.1.2. Every Director, Key Managerial Personnel, Promoter shall, at the beginning of each financial year, furnish to the Company a declaration in the prescribed form

containing particulars his/her concern or interest in any body corporate, firm or other entity and a list of his/her Relatives, which may be regarded as Related Parties under the applicable laws and this Policy..

- 4.1.3. Each of the Directors, Key Managerial Personnel and Promoter(s) shall promptly notify the Company of any change in such particulars during the financial year, including any change in their interest, association or engagement with any entity that may result in such entity becoming a Related Party.
- 4.1.4. Each Director, Key Managerial Personnel and Promoter(s) shall promptly disclose to the Company or Audit Committee of any potential Related Party Transaction involving himself or herself or, his or her Relative, or any entity in which he/she has an interest, together with such information and supporting documents as may be required by the Audit Committee. The Audit Committee shall determine whether the proposed transaction constitutes a Related Party Transaction requiring compliance under this Policy.
- 4.1.5. The declarations received under this Clause shall be placed before the Audit Committee and the Board at the first meeting of the Board held in each financial year and whenever any material change is reported during the year.
- 4.1.6. The Company Secretary shall maintain and periodically update the register/database of Related Parties on the basis of the declarations received from the Directors, Key Managerial Personnel and Promoters and any other information available to the Company.

4.2. Material Related Party Transaction

A Related Party Transaction shall be considered Material Related Party Transaction if the transactions, whether entered into individually or taken together with previous transactions during a financial year, exceed the thresholds specified in **Schedule I** of this Policy as amended from time to time in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s), whether entered into individually or taken together with previous transaction(s) during a financial year, exceed **5% (five per cent)** of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other threshold as may be prescribed under applicable law from time to time.

All Material Related Party Transactions and any subsequent Material Modifications thereto shall require the prior approval of the shareholders of the Company through a resolution. No Related Party shall vote to approve such resolutions, irrespective whether such Related Party is a party to the particular transaction or not, except as otherwise permitted under applicable law..

Omnibus approvals granted by shareholders for Material Related Party Transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under the Companies Act, 2013 and Rules. In case of omnibus approvals for Material Related Party Transactions granted by shareholders in

general meetings other than the annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

Prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which a listed subsidiary of the Company is a party but the Company is not a party, if Regulations 23 and 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary.

Explanation: For Related Party Transactions of an unlisted subsidiary of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall be sufficient.

Further, the requirement of prior approval of the shareholders of the Company shall not be applicable to a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the disclosure of the resolution plan to the recognised stock exchange(s) within the timeline prescribed under the applicable laws.

4.3. Review and approval of Related Party Transactions

4.3.1. All Related Party Transactions and any subsequent Material Modifications thereto shall require prior approval of the Audit Committee in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Only those members of the Audit Committee who are independent directors shall approve Related Party Transactions.

4.3.2. A Related Party Transaction, exceeding above ₹ 1 (one) crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction exceeds the lower of (i) 10 (ten) per cent of the annual standalone turnover of the subsidiary as per its last audited financial statements or, (ii) the threshold prescribed for a Material Related Party Transactions as specified in Schedule I of this Policy.

4.3.3. A Related Party Transaction above rupees 1 (one) crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least 1 (one) year, prior approval of the Audit Committee shall be obtained if the value of such transaction exceeds the lower of (i) 10 (ten) percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary (taken as on a date, not older than three months prior to the date of seeking approval of the Audit Committee), or, (ii) the threshold for Material Related Party Transactions as specified in Schedule I of this Policy.

Prior approval of the Audit Committee shall not be required for a Related Party Transaction to which a listed subsidiary of the Company is a party but the Company is not a party, if Regulations 23 and 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary.

Explanation: In respect of Related Party Transactions of an unlisted subsidiary of a listed subsidiary as referred to above, the prior approval of the audit committee of such the listed subsidiary shall be sufficient.

Further, the remuneration and sitting fees paid by the Company or its subsidiary to its Directors, Key managerial Personnel or Senior Management other than those who are Promoters or members of the Promoter Group,, shall not require approval of the Audit Committee, provided that such payments do not constitute a Material Related Party Transaction under applicable law.

4.3.4. Omnibus Approval by the Audit Committee: The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Such omnibus approval shall be subject to the following conditions:

- a. The proposed Related Party Transaction(s) shall be repetitive in nature, and the Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.
- b. The maximum value of the Related Party Transactions approved under the omnibus route in a financial year shall not exceed **10% (ten per cent)** of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- c. Each omnibus approval shall specify (i) the name(s) of the Related Party, (ii) nature, duration and material terms of the transaction (iii) the maximum amount of the transaction (iv) the indicative base price/current contracted price and the formula for variation in the price, if any; and (v) such other conditions as the Audit Committee may deem fit.

Provided that, where the need for a Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transaction(s) subject to the value of each transaction not exceeding ₹1 (one) crore.

- d. The Audit Committee shall review, at least every quarter, the details of all the Related Party Transactions entered into by the Company or its subsidiary, pursuant to each of the omnibus approvals given;
- e. Each omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals upon expiry of one year.
- f. Omnibus approval shall not be granted by the Audit Committee for the following:
 - i. Related Party Transaction(s) in respect of sale, disposal or transfer of the whole or substantially the whole of the undertaking of the Company.
 - ii. Related Party Transaction(s) with respect to brand usage or royalty payments And

iii. such other transactions as may be specified under the Companies Act, 2013, the SEBI Listing Regulations or by the Audit Committee from time to time.

4.3.5. Each Related Party Transaction and any subsequent Material Modification thereof shall require the prior approval of the Audit Committee, the Board of Directors or the shareholders of the Company, as applicable, in accordance with the provisions of the Companies Act, 2013, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

4.3.6. The proposal relating to a Related Party Transaction shall be placed before the Audit Committee together with all relevant information and supporting documents, including, to the extent applicable:

(a) the name of the Related Party and the nature of the relationship;

(b) the name of the Director, Key Managerial Personnel or other person having an interest in the transaction, if any;

(c) the nature, duration and material terms of the contract, arrangement or transaction;

(d) the value of the transaction and the manner of determining the consideration;

(e) the pricing methodology and confirmation whether the transaction is proposed to be undertaken on an arm's length basis;

(f) whether the transaction is in the ordinary course of business;

(g) the business purpose, commercial rationale and expected benefits of the transaction;

(h) details of any proposed Material Modification and the justification therefor, wherever applicable;

(i) valuation report, benchmarking report or any independent expert opinion, wherever obtained or considered necessary;

(j) a statement on compliance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws; and

(k) any other information or document that may be required by the Audit Committee for evaluating and approving the Related Party Transaction.

4.3.7. While assessing any proposed Related Party Transaction or any subsequent Material Modification thereof, the Audit Committee may seek such information, records, supporting documents, explanations or clarifications from the management or the concerned parties as it may consider necessary. The Audit Committee may also obtain valuation reports, legal opinions, tax advice or other independent professional advice, wherever considered appropriate, for the purpose of evaluating the proposed Related Party Transaction.

4.3.8. While considering and approving a Related Party Transaction or any subsequent Material Modification thereof, the Audit Committee shall, in addition to the requirements prescribed under applicable law, consider the following factors, to the extent relevant:

- (a) Whether the transaction is in the ordinary course of business.
- (b) whether the transaction is proposed to be undertaken on an arm's length basis and whether its terms are fair and reasonable to the Company
- (c) The business purpose, commercial rationale and expected benefits of the transaction.
- (d) whether comparable transactions with unrelated parties are available and, if so, whether the proposed transaction is on terms comparable to such transactions;
- (e) the materiality, value and potential impact of the transaction on the Company's financial position, profitability, liquidity and reputation;
- (f) whether the transaction would give rise to any actual or potential conflict of interest for any Director, Key Managerial Personnel, Senior Management Personnel or any other Related Party;
- (g) whether the transaction could impair the independence or objectivity of any Independent Director;
- (h) whether the transaction complies with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable accounting standards and the Company's internal policies;
- (i) where prior approval of the Audit Committee could not be obtained, the reasons therefor, whether ratification is permissible under applicable law and whether such ratification would be in the interest of the Company; and
- (j) any other factor, information or circumstance that the Audit Committee considers relevant for safeguarding the interests of the Company and its shareholders.

4.3.9. The members of the Audit Committee, who are independent directors, may ratify Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- (a) The value of the ratified transaction(s) with a Related Party, whether entered into individually or taken together, during a financial year shall not exceed ₹ 1 (one) crore and
- (b) The transaction is not a Material Related Party Transaction.

The rationale for the inability to seek prior approval of the Audit Committee shall be placed before the Audit Committee at the time of seeking ratification. The Audit Committee shall satisfy itself that the Related Party Transaction is in the interest of the Company and shall record such satisfaction. Where the Audit Committee does not ratify a Related Party Transaction, it shall make its recommendations to the Board, which shall thereupon determine the course of action in respect of such transaction.

4.3.10. A contract, arrangement or transaction, between the Company and a related party as specified under Section 188(1) of the Companies Act, 2013 which is either 'not

on an arm's length basis' or 'not in the ordinary course of business' ("**Specified RPT**"), shall also require approval of the Board of Directors in accordance with the provisions of the Companies Act and Rules made thereunder. Further, the following Specified RPTs shall require approval of the shareholders of the Company by a resolution wherever the thresholds prescribed under the Companies Act, 2013 and the applicable Rules are exceeded

- a. Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10 (ten) per cent or more of the turnover of the Company, as mentioned in clause(a) and clause (e) respectively of sub-section (1) of Section 188 of the Companies Act;
- b. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10 (ten) per cent or more of net worth of the Company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of Section 188 of the Companies Act;
- c. Leasing of property of any kind amounting to 10 (ten) per cent or more of the turnover of the Company, as mentioned in clause (c) of sub-section (1) of Section 188 of the Companies Act;
- d. Availing or rendering of any services, directly or through appointment of agent, amounting to 10 (ten) per cent or more of the turnover of the Company, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of Section 188 of the Companies Act;
- e. Appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2,50,000 (Rupees two lakh fifty thousand only) as mentioned in clause (f) of sub-section (1) of Section 188 of the Companies Act read with the applicable Rules made thereunder; or
- f. Contract or arrangement in respect of remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding 1 (one) per cent of the net worth of the Company as mentioned in clause (g) of sub-section (1) of Section 188 of the Companies Act;

Provided that the requirement of passing the shareholders' resolution as mentioned above shall not be applicable for transactions entered into between the Company and its wholly-owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Further, the provisions of Regulations 23(2), 23(3) and 23(4) of the SEBI Listing Regulations shall not apply to transaction(s) between the Company and its wholly-owned subsidiary/ies or, two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders of the Company at the general meeting for approval.

- 4.3.11.** Where a Related Party Transaction is required to be approved by the Board of Directors under the Companies Act, 2013, the Rules made thereunder or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or where the Audit Committee refers a Related Party Transaction to the Board or the Board

suo motu decides to review such transaction, the provisions of this Clause 4 shall, to the extent applicable, apply to the approval of such Related Party Transaction by the Board..

5. Related Party Transactions not approved under the Policy

If the Audit Committee becomes aware of a Related Party Transaction that has not been approved in accordance with this Policy, it shall review the transaction and consider all relevant facts and circumstances. The Audit Committee may ratify, modify, recommend termination of the transaction or take such other action as it considers appropriate in the best interests of the Company and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. Disclosure of Related Party Transactions

The Company shall make disclosures of Related Party Transactions in accordance with the provisions of the Companies Act, 2013, the Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, as amended from time to time..

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement, wherever required under applicable law. The details of material transactions with Related Parties will be included in the corporate governance reports, which are required to be submitted to the stock exchanges every quarter.

The Company shall disclose this Policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the annual report of the Company.

The particulars of Related Party Transactions should be entered in the register(s) maintained under the Companies Act, wherever applicable.

The Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results for the half year, of related party transactions, if any, to the stock exchanges on a consolidated basis, in the format specified in the relevant accounting standards for annual results and publish the same on its website. Provided, however, that the remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or senior management, except who is part of the promoter or promoter group, shall not require disclosure, provided that the same is not a Material Related Party Transaction.

7. Amendment and Review

Subject to applicable laws, the Board may amend, modify or rescind this Policy at any time. Any issues to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable laws, such applicable laws in force shall prevail over this Policy.

8. General

This Policy shall be posted on the website of the Company and a web-link thereto shall be disclosed in the annual report of the Company.

SCHEDULE I

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 exceed the following:

Consolidated Turnover of Company Threshold	Threshold
(I) Up to ₹20,000 crore	10% of the annual consolidated turnover of the Company
(II) More than ₹20,000 crore to up to ₹40,000 crore	₹2,000 crore + 5% of the annual consolidated turnover of the Company above ₹20,000 crore
(III) More than ₹40,000 crore	₹3,000 crore + 2.5% of the annual consolidated turnover of the Company above ₹40,000 crore or ₹5,000 crore, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the Company.

Illustration 1. For (II) above	
If the annual consolidated turnover of the Company is ₹30,000 crore	₹2,000 crore + 5% of the remaining ₹10,000 crore = ₹2,500 crore.
Illustration 2. For (III) above	
If the annual consolidated turnover of the Company is ₹50,000 crore	₹3,000 crore + 2.5% of the remaining ₹10,000 crore = ₹3,250 crore.
Illustration 3. For (III) above	
If the annual consolidated turnover of the Company is ₹1,50,000 crore	₹3,000 crore + 2.5% of the remaining ₹1,10,000 crore = ₹5,750 crore. However, the threshold for material related party transactions would be ₹5,000 crore as it is lower than ₹5,750 crore.

The thresholds set out in this Schedule I shall be reviewed by the Audit Committee on an annual basis and updated as may be required to reflect changes in the Company's consolidated turnover or applicable regulatory requirements.