ROYAL CHAIN LIMITED
(FORMERLY KNOWN AS ROYAL CHAIN PRIVATE LIMITED & ROYAL CHAINS PRIVATE LIMITED)
GST : 27AAGCR6146R1ZL CIN : U74120MH2013PLC247888
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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

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

[Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 and Section 188 of the Companies Act, 2013]

A. PREAMBLE:

The **Board of Directors** (the "Board") of **Royal Chain Limited** (the "Company") has adopted the following policy and procedures concerning Related Party Transactions as defined below. The Audit Committee shall review this policy and may recommend amendments as required.

This Policy applies to the Company and is designed to regulate transactions between the Company and its related parties in accordance with applicable laws and regulations.

B. BASIC GUIDELINES:

This Code has been framed and adopted by the Company in compliance with the provisions of the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** (the "Listing Regulations") and any other rules or regulations as may be notified by the SEBI from time to time, as well as the **Companies Act, 2013** (the "Act") and the **Companies (Meetings of Board and its Powers) Rules, 2014** (the "Rules"), as amended from time to time.

Any reference to statutory provisions shall be construed as references to those provisions as amended, re-enacted, or as modified by other statutory provisions (whether before or after the date hereof), and shall include any provisions of which they are re-enactments, whether with or without modification.

C. OBJECTIVE:

This Policy has been framed in compliance with **Regulation 23 of the Listing Regulations**, any other rules or regulations as may be notified by the SEBI from time to time, **Section 188 of the Companies Act, 2013**, the relevant Rules, as amended from time to time, and other applicable provisions, if any (collectively referred to as the "Applicable Regulatory Provisions").

The purpose of this Policy is to regulate transactions between the Company and its **Related Parties** in accordance with applicable laws and regulations. All **Related Party Transactions** shall be undertaken by the Company in line with this Policy or the relevant regulatory provisions.

D. DEFINITIONS:

- **"Arm's Length Transaction"** means a transaction between related parties that is conducted as if they were unrelated, ensuring there is no conflict of interest.

- **"Associate"** means a Company as defined under **Section 2(6) of the Companies Act, 2013** and as defined by Accounting Standard (AS) 23, *"Accounting for Investments in Associates in Consolidated Financial Statements"* and Accounting Standard (AS) 18, *"Related Party Disclosures"*.

- **"Audit Committee or Committee"** means the Audit Committee of the Board constituted under **Section 177 of the Act** and Regulation 18 of the Listing Regulations.

- **"Board"** means the Board of Directors of the Company.

- **"Control"** means control as defined in **Section 2(27) of the Act** and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- **"Key Managerial Personnel"** means the person(s) appointed as such in pursuance of **Section** 203 read with **Section 2(51) of the Act** and other applicable provisions, as amended from time to time.

- **"Policy"** means this **Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions**, as amended from time to time.

- **"Material Related Party Transaction"** means a Related Party Transaction if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed rupees one thousand crore or 10 (ten) per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

  1. A transaction with a related party, if the transaction(s) to be entered into individually or in aggregate with previous transactions during a financial year exceeds; the threshold limit specified in Schedule XII of the Listing Regulations or
  2. A transaction involving payments to a related party for **brand usage or royalty** shall be considered material if such transaction(s) to be entered into individually or taken together with previous transactions 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.

- **"Ordinary Course of Business"** with reference to a transaction with a related party means a transaction which is: (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.

- **"Relative"** with reference to any person, means anyone who is related to another person as defined under Section 2(77) of the Companies Act and applicable accounting standards, each as amended. Without limitation, this includes a person related to another if:

  1. They are members of a Hindu Undivided Family;
  2. They are spouse; or
  3. One person is related to another as:
     - Father (including step-father)
     - Mother (including step-mother)
     - Son (including step-son)
     - Son's wife
     - Daughter
     - Daughter's husband
     - Brother (including step-brother)
     - Sister (including step-sister)

- **"Related Party"** in relation to the Company, means a party related with the Company in any of the ways as laid down in **Section 2(76) of the Act**, the Rules, the Listing Regulations, or 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.

  1. Promoter or promoter group entities; or
  2. Persons or entities holding:

- 10% or more equity shares in the Company directly or beneficially during the preceding financial year.

- **"Related Party Transactions"** means transfer of resources, services, or obligations between:

  1. The Company (or any of its subsidiaries) and a related party of the Company (or its subsidiaries); or
  2. The Company (or its subsidiaries) and any other person or entity, 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.

  Exclusions: Not considered RPTs:

  1. Issue of specified securities on a preferential basis (subject to SEBI regulations)
  2. Corporate actions uniformly applied to all shareholders: dividend, subdivision/consolidation of securities, rights/bonus issues, buy-back
  3. 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, and 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.

- **"Senior Management"** means officers/personnel who are part of the core management team excluding the Board. Normally includes one level below CEO/MD/WTD/Manager, functional heads, CFO, and Company Secretary.

- **"Subsidiary"** means a Company as defined under **Section 2(87) of the Act**, and as defined by Accounting Standard (AS) 23 and AS 18.

E. POLICY:

1. The Company shall not enter into any contract or arrangement with a Related Party without the prior approval of the Audit Committee. It is clarified that any Material Modification of an existing Related Party Transaction shall also require approval of the Audit Committee. However, the approval of Audit Committee would not be required for transaction(s), other than the transaction(s) referred in Section 188 of the Companies Act, between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders of the Company at the general meeting for approval.
2. The Audit Committee shall review, on a quarterly basis, all transactions with related parties that were approved under omnibus approvals in accordance with the Applicable Regulatory Provisions. Such omnibus approvals shall be valid for a period not exceeding one (1) year and must be renewed with fresh approvals upon expiry.
3. A related party transaction to which the 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 whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or 10 (ten) per cent of the annual consolidated turnover of the subsidiary, as per the last audited financial statements of the subsidiary, whichever is lower.
4. The Company shall not, directly or indirectly, provide loans or extend guarantees or securities in connection with loans to any person or body corporate exceeding the prescribed limits. This restriction shall not apply to transactions with wholly-owned subsidiary(ies).

F. CONTRACTS OR ARRANGEMENTS NOT IN THE ORDINARY COURSE OF BUSINESS OR AT ARM'S LENGTH BASIS:

A contract, arrangement or transaction, between a related party (as defined under the Companies Act) and the Company, as specified under Section 188(1) of the Companies Act, which is either 'not on an arm's length basis' or 'not in the ordinary course of business' ("**Specified RPT**"), shall require approval of the Board as per the provisions of Section 188(1) of the Companies Act and the applicable provisions of the Rules. Contracts or arrangements so approved shall be disclosed in the Board's Report along with justification for entering into such contract or arrangement.

G. MATERIAL RELATED PARTY TRANSACTIONS:

All material related party transactions shall require the approval of the shareholders of the Company through a resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. A Related Party Transaction shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed rupees one thousand crore or 10 (ten) per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Transactions with wholly owned subsidiary(ies), whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, are exempt from approval of shareholders.

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 the Company as per the last audited financial statements of the Company.

H. IDENTIFICATION OF RELATED PARTY

Each Director and Key Managerial Personnel/Promoter is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as "Related Party" by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the Company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made. Each Director/Key Managerial Personnel/Promoter shall make an annual declaration as per the provisions of the Companies Act and the Rules with respect to Related Party Transactions to the Company in the last month ending before the financial year and this declaration shall be placed before the Audit Committee and the Board at their first meeting held at the succeeding financial year.

I. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

Each director and Key Managerial Personnel are responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

J. TERMS OF THE POLICY:

1. All Related Party Transactions and subsequent material modifications must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.
2. All the Related Party Transactions proposed to be entered into shall require prior approval of the Audit Committee including the transactions to be entered in the ordinary course of business. The Audit Committee shall accordingly recommend the Related Party Transaction for the approval of Board of Directors/ Shareholders as per the terms of this policy.

3. All the Related Party Transactions prescribed under Section 188 of the Act and within the threshold limits prescribed under rule 15 sub rule (3) of the Rules, shall along with the prior approval of Audit Committee shall also require approval of the Board of Directors.
4. All the Material Related Party Transactions and Related Party Transactions, exceeding the threshold limits prescribed under rule 15 sub rule (3) of the Rules shall require prior approval of the Audit Committee, Board of Directors and Shareholders of the Company by way of Resolution prescribed under section 188 of the Act and the Listing Regulation.

K. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

All related party transactions and subsequent material modifications must be reported to the Audit Committee for its prior approval in accordance with this Policy. The Committee shall review the transaction/s and report the same for approval of the Board and shareholders, if required, in accordance with this Policy.

1. Approval of Audit Committee

   a) All Related Party Transactions shall require prior approval of the Audit Committee either at a meeting or by resolutions by circulations. Any member of the committee who has potential interest in any related party transaction will abstain from discussion and voting on the approval of the related party transaction.
   b) Audit Committee shall have all rights to call for information/documents in order to understand the scope of the proposed related party transactions.
   c) The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the company or its subsidiary subject to the following conditions

      i) The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
      ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
      iii) Such omnibus approval shall specify the following: -
      - Name(s) of the Related Party;
      - Nature of the transaction;
      - Period of transaction; - Maximum amount of transaction that can be entered into;
      - The indicative base price/current contracted price and the formula for variation in the price, if any, and;
      - Such other conditions as the Audit Committee may deem fit.
      iv) In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees one crore per transaction;
      v) The Audit committee shall review, at least on a quarterly basis, the details of Related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given;
      vi) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

2. Approval of Board of Directors

   a. If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for the Board to approve a Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

b. All the related party transactions prescribed under Section 188 of the Act, which are not in the ordinary course of business or not at Arm's Length Basis and all material related party transactions shall be brought before the Board and the Board shall consider and approve the related party transaction at a meeting.
c. Any member of the Board who is interested or has potential interest (as mentioned under section 184(2) of the Act), in any related party transaction shall not be present at the meeting during discussions on the subject matter of the resolution relating to such related party transaction.

3. Approval of Shareholders

a. All the Material Related Party Transactions shall require approval of the shareholders through resolution prescribed under section 188 of the Act and the Listing Regulation and the Related Parties shall abstain from voting on such resolution.
b. All the Transactions, other than the Material Related Party Transaction, with the related parties which are not in the Ordinary Course of Business and at Arms' Length shall, subject to the limits mentioned in Rules 15(3) of the Rules, also require the approval of the shareholders through resolution prescribed under section 188 of the Act and the Listing Regulation and the Related Parties shall abstain from voting on such resolution.
c. Transactions that, require previous approval of Shareholders of the Company, as prescribed under rule 15(3) of the Rules, includes the transactions/ contracts/arrangements as follows:

(i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten percent or more of the audited annual consolidated revenue from operations of the Company for the last financial year, as mentioned in section 188(1)(a) and(e) of the Act;
(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of audited consolidated net worth of the Company for the last financial year, as mentioned in section 188(1)(b) and (e) of the Act;
(iii) leasing of property of any kind amounting to ten per cent or more of the turnover of the company or 10% of audited annual consolidated revenue from operations of the Company for the last financial year, as mentioned in section188(1)(c) of the Act;
(iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of audited annual consolidated the revenue from operations of the Company for the last financial year, as mentioned inspection 188(1)(d) and (e) of the Act.
(v) 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 as mentioned in 188(1)(f) of the Act; and
(vi) for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in section 188(1)(g) of the Act.

d. The limits as provided in paragraph 3(c)(i) to (iv) above, shall however apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year;
e. However, transactions with wholly owned subsidiaries are exempt for approval of shareholders.

4. Transaction not requiring approval of Audit Committee, Board or Shareholders

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board or Shareholders

i) Any transaction that involves the providing of 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 promoter or promoter group, provided that the same is not material in terms of the provisions of sub-regulation (1) of SEBI (LODR)Regulation.

ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and where all holders of such securities receive the same benefits pro rata as the Related Party.

L. CRITERIA FOR APPROVAL OF A RELATED PARTY TRANSACTION BY THE BOARD / AUDIT COMMITTEE:

a. To review a Related Party Transaction, the Board / Audit Committee will be provided all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

b. The information provided shall specifically cover the following:

i) the name of the related party and nature of relationship;
ii) the nature, duration of the contract and particulars of the contract or arrangement;
iii) the material terms of the contract or arrangement including the value, if any;
iv) any advance paid or received for the contract or arrangement, if any;
v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
vii) The persons/authority approving the transaction; and
viii) any other information relevant or important for the Committee to take a decision on the proposed transaction

c. In determining whether to approve a Related Party Transaction, the Board/ Audit Committee shall consider the following factors, amongst others, to the extent relevant to the Related Party Transaction: -

(i) Whether the transaction is in the ordinary course of business of the Company.
(ii) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
(iii) Whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
(iv) Whether the Related Party Transaction would affect the independence of the directors/KMP;
(v) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
(vi) Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company; and
(vii) Whether the Related Party transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interesting the transaction and the ongoing nature of any proposed relationship and another factors the Board/Committee deems relevant.

M. DISCLOSURES:

a) Every Director of a Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into –

   i) With a body corporate in which such director or such director in association with any other director, holds more than two per cent. Shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
   ii) With a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting: Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

b) All Directors/ KMPs are required to disclose the entities in which they or their relatives are or deemed to be interested, in the prescribed form.
c) Each Director and KMP of the Company shall promptly notify the Company Secretary of the Company of any material transaction or Relationship that could reasonably be expected to give rise to any conflict of interest.
d) The Company shall maintain Register pertaining to related party transactions in the prescribed form.
e) The related party transaction entered into with the related party/ies shall be disclosed in the Director Report / Annul Report as per the disclosure requirement of the Act.
f) The Policy on dealing with Related Party Transactions is disclosed in the company's website and a web link thereto shall be provided in the Annual Report
g) Details of all material transactions with related parties shall be disclosed quarterly in the Compliance Report on Corporate Governance, as required under the Listing Regulations. The Company shall also make disclosures every six months on the date of publication of its standalone and consolidated financial results for the half year, of related party transactions 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.

N. RATIFICATION:

a) Any Related Party Transaction entered into without obtaining the prior approval of the Audit/ Board/ Shareholders(respective authority/ies) may be ratified, subject to the applicable provisions of the Act and the Listing Regulation, if post review of the said transaction(s)/ contract(s), the appropriate authority is satisfied, that the said Related Party Transaction is not detrimental to the interest of the Company, however, the appropriate authority may also ratify such transaction or contracts, with or without the modification(s).
b) Where any contract or arrangement is entered into, without obtaining the consent of the Audit Committee, Board or approval by a Resolution in the General Meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contractor arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.
c) If the appropriate authority decides, not to approve a particular transaction, it may require the Related Party to reimburse the benefits which might have accrued to it and/or indemnify the Company with regard to the subject Related Party Transaction which is not approved by the appropriate authority.
d) However, the Related Party transaction which are entered into without the approval of the appropriate authority and subsequently not ratified by the appropriate authority, the applicable provisions of the Act and the Listing Regulation shall apply.

O. AMENDMENTS TO THE POLICY:

a) The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

b) In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
This Policy will be communicated to all operational employees and other concerned persons of the Company

The approved Policy shall be uploaded on the website of the Company at [www.royalchains.com]

Effective Date:
Date of the approval: 27th September, 2026
Version: 01

Sd/-
Chairman Signature