

**RAJPUTANA BIODIESEL LIMITED**  
**(Formerly known as “Rajputana Biodiesel Private Limited”)**

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**RELATED PARTY TRANSACTION POLICY**

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## ❖ SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), **Rajputana Biodiesel Limited** ("the Company") has formulated guidelines for identification of related parties, approval, disclosure and the proper conduct and documentation of all related party transactions.

The Regulation 23(1) of the SEBI Listing Regulations also requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

Regulation 23 of the SEBI Listing Regulations has become applicable to the Company pursuant to its status as an SME listed entity and fulfillment of the prescribed applicability criteria. Accordingly, the relevant provisions of this policy, as mandated under the SEBI Listing Regulations, shall come into effect from April 1, 2025.

## ❖ OBJECTIVE OF THE POLICY

Pursuant to Section 188 of the Companies Act and Regulation 23 of the SEBI Listing Regulations the Company has to formulate a policy on materiality of related party transactions and also on dealing with related party transactions.

Accordingly, the Board of directors ("Board") of the Company, based on recommendations of the Audit Committee, has adopted the said policy with regard to related party transactions.

The Audit Committee will review and amend this Policy from time to time. The Board will review this Policy at least once in three (3) years.

## ❖ DEFINITIONS

"Act" means the Companies Act, 2013.

"Regulation 23" means the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"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.

"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 Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

"Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed there under.

"Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Related Party Transaction" have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as means transfer of resources, services or obligations between:

(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or

(ii) a listed entity 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 listed entity 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:

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 listed entity 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 bon us issue; and

iv. buy-back of securities.

(c) retail purchases from Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors

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).

**"Material Related Party Transaction 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 fifty 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.**

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 listed entity.

**"Material Modification"** means any modification to a Related Party Transaction having variance of more than 20% of the existing overall transaction value or Rs. 1 crore whichever is higher, as approved by the Audit Committee/Shareholders, as the case may be.

**"Key Managerial Personnel" or "KMP"** shall have the meaning as defined in the Companies Act 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

#### ❖ INTERPRETATION

1. Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 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.
2. The reference to the masculine gender in the Policy shall be deemed to include a reference to feminine gender.
3. 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 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.

#### ❖ MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds

for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. The Related Party Transactions 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 fifty 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.

#### ❖ **MANNER OF DEALING WITH RELATED PARTY TRANSACTION**

##### **1.1 Disclosure by Directors**

Every Director shall, at the commencement of each financial year, furnish to the Company a written disclosure specifying his or her concern or interest in any entity, together with a list of his or her relatives, particularly identifying those entities and persons that may be considered a Related Party with respect to the Company in accordance with this Policy.

Further, during the course of the financial year, each Director shall promptly notify the Company in writing of any change in the information previously disclosed, including any change in engagement, association, or interest in any other entity that may be regarded as a Related Party pursuant to this Policy

##### **1.2 Identification of Related Parties**

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

##### **1.3 Identification of Related Party Transactions**

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

#### **1.4 PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION**

##### **1.4.1 Approval of the Audit Committee**

- A.** All related party transactions and subsequent material modifications require prior approval of the Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:
- a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
    - i. Maximum amount of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
    - ii. The maximum value per transaction which can be allowed;
    - iii. extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
    - iv. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
    - v. transactions which cannot be subject to the omnibus approval by the Audit Committee
  - b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, viz: -
    - i. repetitiveness of the transactions (in past or in future);

- ii. justification for the need of omnibus approval
- c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company;
- d. The omnibus approval shall provide details of (i) the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transactions 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.

- e. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the company and its subsidiary pursuant to the omnibus approval given;
- f. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- g. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- h. Any other conditions as the Audit Committee may deem fit

**B.** In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

- a. The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be not exceeding as per the materiality threshold or limit as approved by shareholders.
- b. The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold or limit as approved by shareholders as determined from time to time.
- c. While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
  - i. Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed (including transfer of resources) – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
  - ii. Key terms (such as price and other commercial terms contemplated under the arrangement) of the proposed transaction, including value and quantum;
  - iii. Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;
  - iv. Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
  - v. Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
    - 1. market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
    - 2. third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
    - 3. management assessment of pricing terms and business justification for the proposed transaction;

4. comparative analysis, if any, of other such transaction entered into by the company

d. Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

1. Transactions which are not at arm's length or not in the ordinary course of business
2. Transactions which are not repetitive in nature
3. Transactions exceeding materiality thresholds as laid down in Clause [4] of the Materiality Policy.
4. Transactions in respect of selling or disposing of the undertaking of the company
5. Any other transaction the Audit Committee may deem not fit for omnibus approval

C. A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following: (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or (ii) the threshold for material related party transactions of listed entity.

D. Provided that:

(a) prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of SEBI Listing regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in above, the prior approval of the audit committee of the listed subsidiary shall suffice.]

[b] 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, shall not require approval of the audit committee provided that the same is not material.

E. 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:

(i) 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 rupees one crore;

(ii) the transaction is not material;

(iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23;

(v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

#### **1.4.2 Approval of the Board of Directors of the Company**

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

a) Transactions which may be in the ordinary course of business and at arm's length basis, but which

are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;
- d) Transactions meeting the materiality thresholds, which are intended to be placed before the shareholders for approval.

#### **1.4.3 Approval of the Shareholders of the Company**

All material related party transactions and subsequent material modifications as defined in this policy shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not

Provided that prior approval of the shareholders shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, the resolution plan being approved.

Provided further that the omnibus approval granted by the 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 Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which

(a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' approval 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.

#### **1.4.4 Non- applicability of Regulation 23**

The provisions of sub-regulations (2), (3) and (4) of Regulation 23 shall not be applicable in the following cases:

(a) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

(b) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

#### **1.4.5 Applicability of Industrial Standard**

The Company shall comply with the Industrial standards for "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction as notify by SEBI and amended/updated from time to time.

The RPT Industry Standards shall be applicable for all RPTs placed for review and approval by the Audit Committee and also in case of material RPTs, which are placed for approval of both the Audit Committee and the shareholders.

#### ❖ DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

In addition to the above, the listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website.

Provided further that the listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.

Provided further that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material.

#### ❖ RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

#### ❖ AMENDMENTS

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

#### ❖ REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

#### ❖ COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Chief Finance Officer and the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

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Reviewed and amended w.e.f. 21st December, 2024;

Reviewed and amended w.e.f. 23rd August, 2025

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