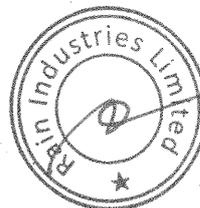


**RAIN INDUSTRIES LIMITED**

**POLICY ON  
RELATED PARTY TRANSACTIONS**



# RAIN INDUSTRIES LIMITED

Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India.  
CIN: L26942TG1974PLC001693

## RELATED PARTY TRANSACTIONS POLICY

### I. INTRODUCTION

Rain Industries Limited (the “Company” or “RIL”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its stakeholders’ best interests. Therefore, this Related Party Transactions policy (“Policy”) regarding the review and approval of Related Party Transactions has been adopted by the Company’s Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified.

### II. DEFINITIONS

For the purposes of this policy, the following definitions apply:

#### 1. *Definitions under Companies Act, 2013*

##### A. *Related Party*

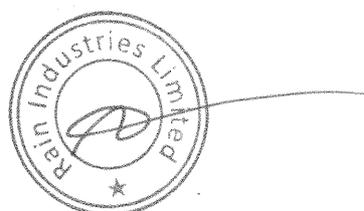
As per Section 2(76) of the Companies Act, 2013, Related Party with reference to a Company means:

- (i) a Director or his relative;
- (ii) a Key Managerial Personnel or his relative;
- (iii) a firm, in which a Director, Manager or his relative is a Partner;
- (iv) a Private Company in which a Director or manager or his relative is a member or Director;
- (v) a Public Company in which a Director or Manager and holds is a Director or holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

**Provided** that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any Company which is:

- (A) a Holding, Subsidiary or an Associate Company of such Company; or
- (B) a Subsidiary of a Holding Company to which it is also a Subsidiary;
- (C) an investing Company or the venturer of the Company;



Explanation - For the purpose of this clause, “the investing Company or the venture of a Company” means a Body Corporate whose investment in the Company would result in the Company becoming an Associate Company of the Body Corporate.

- (ix) such other person as may be prescribed.

For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director [other than an independent director] or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

### ***B. Relative***

- ***Companies Act, 2013***

As per the provisions of Section 2(77) of the Companies Act, 2013, “Relative” means anyone who is related to another, if-

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

- ***Companies (Specification of definitions details) Rules, 2014***

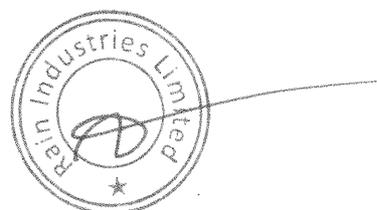
As per Rule 4 of Companies (Specification of definitions details) Rules, 2014, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- a) Father
- b) Stepfather
- c) Mother
- d) Stepmother
- e) Son
- f) Stepson
- g) Son’s wife
- h) Daughter
- i) Daughter’s husband
- j) Brother
- k) Stepbrother
- l) Sister
- m) Stepsister.

### ***C. Holding Company***

As per the provisions of Section 2(46) of the Companies Act, 2013, “Holding Company” in relation to one or more other Companies, means a Company of which such Companies are Subsidiary Companies;

Explanation - For the purposes of this clause, the expression “Company” includes any Body Corporate.



#### ***D. Subsidiary Company***

As per the provisions of Section 2(87) of the Companies Act, 2013, “Subsidiary Company” or “Subsidiary” in relation to any other Company (that is to say the Holding Company), means a Company in which the Holding Company -

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its Subsidiary Companies:

Provided that such class or classes of Holding Companies as may be prescribed shall not have layers of Subsidiaries beyond such numbers as may be prescribed.

Explanation - For the purposes of this clause -

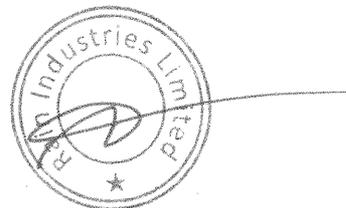
- (a) a Company shall be deemed to be a Subsidiary Company of the Holding Company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another Subsidiary Company of the Holding Company;
- (b) the composition of a Company's Board of Directors shall be deemed to be controlled by another Company if that other Company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors;
- (c) the expression “Company” includes any Body Corporate;
- (d) “Layer” in relation to a Holding Company means its Subsidiary or Subsidiaries;

#### ***E. Associate Company***

As per the provisions of Section 2(6) of the Companies Act, 2013, “Associate Company”, in relation to another Company, means a Company in which that other Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company.

Explanation - For the purpose of this clause –

- (a) the expression “Significant Influence” means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement.
- (b) the expression “Joint Venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.



2. *Definitions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)*

A. *Related Party Transactions*

As per Reg. 2(zc) of LODR Regulations, “Related Party Transaction” means a 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, 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

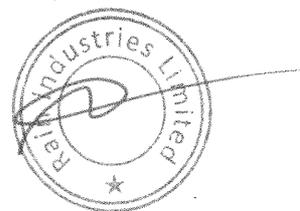
Provided that the following shall not be a related party transaction:

- (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 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.
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- (e) retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, 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.

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



## B. Related Party

As per Reg.2(zb) of LODR Regulations, "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 listed entity; 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 listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year;

shall be deemed to be a related party:"

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

## C. Material Related Party Transactions as defined under the LODR Regulations

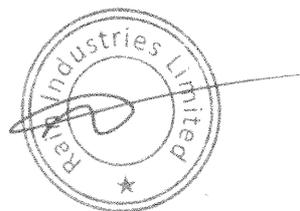
A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

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

## D. Material Modification(s)

If the terms and conditions of the Related Party Transaction(s) already approved by the Audit Committee/Board of Directors is modified beyond 20%, then such modification



is considered as material modification, hence, it requires prior approval of Audit Committee/Board of Directors.

### ***3. Transactions covered under Related Party Transactions***

A) Following transactions entered into with a Related Party are considered as Related Party Transactions as per Companies Act, 2013:

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property;
- such related party's appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company; and
- underwriting the subscription of any securities or derivatives thereof, of the Company.

B) As per Reg. 2(zc) of LODR Regulations, "Related Party Transaction" means a transfer of resources, services or obligations between:

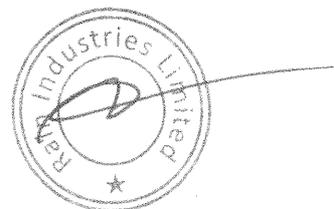
- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, 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

## **III. PROCEDURES**

### **1. Disclosure by Directors and Key Managerial Personnel (KMP)**

- a) Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every Financial Year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.
- b) Every Director or Key Managerial Personnel shall, within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the Company the particulars relating to his concern or interest in the other associations.
- c) 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.



## 2. Approval of Audit Committee and Board of Directors

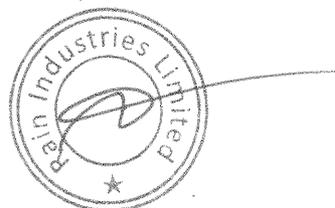
All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee and Board of Directors.

However, 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 approval of the audit committee provided that the same is not material.

3. Information to be placed before the Audit Committee, Board of Directors and Shareholders for approval of Related Party Transactions shall be as per the requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

4. **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:**

- 1) 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.
- 2) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- 3) Such omnibus approval shall specify:
  - i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
  - ii) 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;
- 4) Provided that where the need for Related Party Transaction cannot be foreseen and 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.
- 5) 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.
- 6) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year,

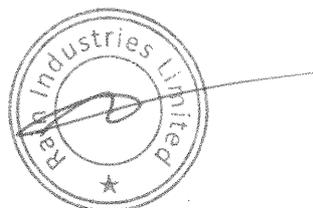


## **5. Interested Directors and Key Managerial Personnel not to participate**

Where any Director or Key Managerial Personnel is interested in any contract or arrangement with a Related Party, such Director or Key Managerial Personnel shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

## **6. Factors to be considered by Audit Committee and Board of Directors while approving Related Party Transactions**

- i) 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;
- ii) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- iii) The commercial reasonableness of the terms of the Related Party Transaction;
- iv) The materiality of the Related Party Transaction;
- v) Whether the terms of the Related Party Transaction are fair and on the same basis as would apply if the transaction did not involve a Related Party;
- vi) The extent of the Related Party's interest in Related Party Transaction;
- vii) The actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction;
- viii) Whether the Related Party Transaction would affect the independence of an Independent Director;
- ix) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- x) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- xi) 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 interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- xii) All Related Party Transaction(s) of the Company shall be in compliance with the provisions of the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Accounting Standards and other applicable laws, as amended from time to time;



- xiii) All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement of the Income Tax Act, 1961; and
- xiv) All international related party contracts / arrangements shall comply with International Transfer Pricing Requirement of the Income Tax Act, 1961.

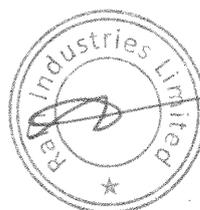
## 7. Approval of Shareholders

- i) Prior approval of Shareholders through Ordinary Resolution is required for the following transactions:
- a. 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 the following:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

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

- b. As per section 188 of companies act 2013 and read with rules made there under, except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into,-
- (a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mention below-
- Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company.
  - Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company.
  - Leasing of property any kind amounting to ten percent or more of the turnover of the company.
  - Availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company.



Explanation. - It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

- c. Appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company at a monthly remuneration exceeding two and half lakh rupees.
- d. Is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding 1% of the net worth of the Company.
- e. To any transactions entered into by the Company, which are not in its ordinary course of business, which are not on an arm's length basis.

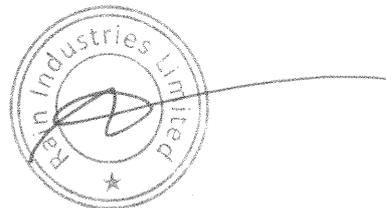
**8. Interested Shareholder shall not participate in voting**

No Related Party shall vote to approve Resolution for all Material Related Party Transactions, whether the entity is a Related Party to the transaction or not.

**9. Related Party Transactions which do not require approval of shareholders**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Shareholders:

- i) Transactions entered into between two public sector companies.
- ii) 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.
- iii) 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.
- iv) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- v) Transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- vi) The transactions are entered into by the Company in the ordinary course of business and also done at Arm's length.



## **10. Ratification by Audit Committee and / or Board and/or shareholders of the Company**

- a) Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Audit Committee or Board or shareholders pursuant to Section 188(1) of the Act read with Regulation 23 of SEBI LODR Regulations and if is not ratified by the Audit Committee and / or Board and/or shareholders within 3 months from the date of contract or arrangement, such contract or arrangement shall be voidable at the option of the Audit Committee or Board or Shareholders. If such contract or arrangement is with related party to Director or is authorized by any Director, the Directors concerned shall indemnify against any loss incurred.
- b) 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;

## **11. Review of Policy**

The policy shall be reviewed by the Board of Directors at least once every 3 years and updated accordingly.

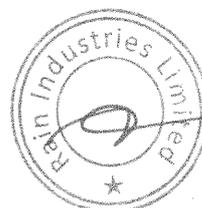
## **IV. DISCLOSURE**

Every Related Party Transactions or contract or arrangement entered shall be disclosed in the following manner:

- i) In the Board's report to the shareholders along with the justification for entering into such contract or arrangement;
- ii) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance;
- iii) The listed Entity shall submit to the Stock Exchanges disclosures of Related Party Transactions in the format as specified by the Securities and Exchange Board of India from time to time, and publish the same on its Website; and
- iv) This Related Party Transactions Policy has been adopted pursuant to Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

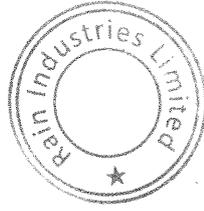
## **V. GENERAL**

- i) Any subsequent amendment / modification in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act 2013 or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.



- ii) The policy will be amended as and when needed with the approval of Board of Directors.

**For Rain Industries Limited**



Place: Hyderabad  
Date: February 27, 2026

  
**Jagan Mohan Reddy Nellore**  
**Managing Director**  
**DIN: 00017633**