

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

The Board of Directors of Ranjeet Mechatronics Limited has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time. This policy is drafted to regulate the transactions between the Company and its related parties based on the applicable laws.

PURPOSE

This policy is framed as per the provisions of Section 2(76), 184, 188, 189 of the Companies Act, 2013 and respective rules under the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended from time to time. Further this policy will also cover the requirements of Clause 49 of the listing agreement. This policy is intended to ensure the proper approval and reporting of transactions between the Company and its related parties.

DEFINITIONS

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“Arm’s length transaction (‘ALP’)” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Related Party”, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

“Related Party Transaction” (RPT) means –

- for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;
- for the purpose of RC 49, any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

A **“transaction”** with a related party shall be construed to include single transaction or a group of transactions in a contract.

IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS: RANJEET MECHATRONICS LTD.

(FORMERLY KNOWN AS: RANJEET ELECTRIC PVT. LTD. || DESTINY ZONE SECURITY SYSTEMS PVT. LTD. || HIMGIRI SOLUTIONS PVT. LTD.)

REGISTER ADDRESS: - Block A. #407 4th Floor Dev Aurum, Anandnagar Cross Road, Prahaladnagar Road, Ahmedabad. 380015. Gujarat. Tel.: 91 79 40009390. Email: info@ranjeet.co.in and cs.compliance@ranjeet.co.in ||

Website:-www.ranjeet.co.in **CIN NO.** L31100GJ1993PLC019635

a) Identification of related parties

Our Company has identified a list of related parties as prescribed under Section 2(76) of the Act read with the rules framed there under and Clause 49 of the Listing Agreement.

b) Identification of related party transactions

All the transactions mentioned under Section 188 of the Companies Act, 2013 and the rules framed thereunder with any amendment thereof from time to time will be regarded as related party transactions.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

Related Party Transactions will be referred to the next scheduled Audit Committee for review and approval. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- 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;
- Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given. Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:
 - i. 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.
 - ii. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
 - iii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- Approval of the Board of Directors of the Company

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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 and 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:

- 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;
 - 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;
 - Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
 - Transactions meeting the thresholds as per Section 188 of the Companies Act, 2013, rules framed thereunder and clause 49 of the listing agreement and which are intended to be placed before the shareholders for approval.
- Approval of the Shareholders of the Company
All the transactions with related parties meeting the thresholds which as per Section 188 of the Companies Act, 2013, rules framed thereunder required prior shareholders' approval.

DISCLOSURES

Our Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties in the prescribed format as provided under Rule 8 of The Companies (Accounts) Rules, 2014

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 of 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

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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. 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 TO THE POLICY

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.

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. 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.

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