

RUSHIL DÉCOR LIMITED

CIN: L25209GJ1993PLC019532

Regd. Office: S. No. 125, Village Itla, Nr. Kalyanpura Patia, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar – 382845, Gujarat, India.

Corporate Office: 1, Krinkal Apartment, Opp. Mahalaxmi Temple, Mahalaxmi Society, Paldi, Ahmedabad – 380 007.

Tel.: 079-26651346, 26622323 **Fax:** 079- 26640969, **Email:** info@rushil.com,

Website: www.virlaminate.com

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

The Board of Directors of Rushil Décor Limited (hereinafter referred to as “the Company” or “RDL”), has adopted this Policy on Related Party Transactions (hereinafter referred to as “RPT Policy” or “Policy”) for the Related Party Transactions (“RPTs”) as required under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulation” for convenience) and other applicable provisions of the Companies Act, 2013 (“the Act”) and Rules framed there under. The Board of Directors may review and amend this Policy from time to time as per requirement of amendment in the applicable laws.

PURPOSE

Regulation 23 of the Listing Regulation mandates formulation of a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

In brief, the purpose of the RPT Policy is to authorize, monitor, regulate and report contracts, arrangements and transactions between the Company and related parties. This Policy lays down the process to be adopted by the Company for identification of the related parties, approval of the RPTs and any subsequent modification thereof. The Policy also lays down the reporting procedure of RPTs.

In the event, the provisions of this RPT Policy are inconsistent with the Listing Regulation or applicable laws, then the said regulation or laws will prevail over this RPT Policy.

DEFINITIONS

1. “Applicable Law” means the Companies Act, 2013 and the Rules framed there under, the Listing Regulation and include any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.
2. “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.

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3. “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 4. “Key Managerial Personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.
 5. “Material Related Party Transaction” means the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or such other threshold as may be laid down from time to time under the Applicable Law.
 6. “Relative(s)” means shall have the same meaning as defined under Section 2 (77) of the Companies Act, 2013 read with the Rules made there under and the Listing Regulation.
 7. “Related Party” means shall have the same meaning as defined under Section 2 (76) of the Companies Act, 2013 read with the Rules made there under and the Listing Regulation as well as applicable Accounting Standard.
 8. “Related Party Transaction” means such transactions as specified under the Companies Act, 2013 read with the Rules made thereunder and Regulation 23 of the Listing Regulation including any amendment or modification thereof, as may be applicable;

The all other terms not defined as herein shall take their meaning as defined under the Applicable Laws.

EXCLUSIVITY OF TRANSACTIONS FROM THIS POLICY

However, the following shall not be deemed Related Party Transactions for the purpose of this Policy:

- a) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel, in accordance with the provisions of Companies Act, 2013, 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.
- b) Reimbursement of expenses incurred by a Related Party for business purpose of the Company.

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- c) 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.
 - d) Any transaction which is in the ordinary course of business and on an arms' length basis as determined in terms of this Policy.
 - e) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require approval in advance by the Audit Committee.
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POLICY

IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

Each director and Key Managerial Personnel is responsible for providing notice of disclosure of interest under section 184 of the Companies Act 2013 and under other applicable law along with list of relatives to the Company.

The Company shall ensure that no transaction is entered with any Related Party disclosed by the director/ KMP or any other without necessary approvals as provided in applicable Laws.

Directors and KMPs would be responsible for promptly notifying in case of any changes/updates occurring in the related parties and in respect of details pertaining to such related parties declared by them.

Any individual appointed/elected as a Director or KMP shall be responsible to promptly complete and submit the disclosure declaration as required in applicable law.

The Company prefers to receive such notice of any potential Related Party Transaction in advance so that the Audit Committee / Board have sufficient time to review information regarding the proposed transaction

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

Audit Committee:

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature, subject to the compliance

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of conditions contained in Regulation 23 of the Listing Regulation and Section 188 of the Companies Act, 2013 read with Rules framed thereunder.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Regulation.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

Board of Directors:

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

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

Shareholders:

As per Regulation 23(4) of the Listing Regulation, all the Material Related Party Transactions shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

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All kinds of transactions specified under Section 188 of the Act, which (a) are not in the ordinary course of business and / or at arm's length basis; or (b) exceed the thresholds laid down under the Act read with Rules framed thereunder, as amended from time to time, shall be placed before the shareholders for their prior approval by way of a Resolution.

As per Regulation 23(7) of the Listing Regulation, For the purpose of regulation 23, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

All existing material related party contracts or arrangements entered into prior to the date of notification of the Listing Regulations i.e. 02.09.2015 and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of the said Listing Regulations.

RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

DISCLOSURES

1. Every Related Party Transaction prescribed in Section 188(1) of the Act shall be disclosed in the Board's report.
2. As prescribed under Regulation 46(2)(g) of the Listing Regulation, this Policy shall be disclosed on the Company's website,
3. Web link of the website shall be provided in the section on the Corporate Governance of the Annual Report,

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4. Details of any Material Related Party Transactions shall be disclosed to the stock exchange quarterly along with the compliance report on corporate governance.

NON APPLICABILITY

The provisions of sub-regulations (2), (3) and (4) of Regulation 23 of the Listing Regulation and Section 188(1) of the Companies Act, 2013 shall not be applicable for transactions entered into between a company and its wholly owned subsidiary whose accounts are consolidated with company and placed before the shareholders at the general meeting for approval.

AMENDMENT IN LAW

Any subsequent amendment/ modification in the Listing Regulation and/or applicable laws in this regard shall automatically apply to this Policy.

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