

RIGA SUGAR CO. LIMITED

A Subsidiary of Nirani Sugars Limited · CIN: L15421WB1980PLC032970

Registered Office: 14 Netaji Subhas Road, 2nd Floor, P.S. Hare Street, Kolkata – 700 001, West Bengal · www.rigasugar.com

Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

Framed under Section 188 of the Companies Act, 2013 and Regulation 23 read with Regulation 46(2)(g) of SEBI (LODR) Regulations, 2015

Version	Approved by	Effective date
1.0	The Board of Directors at its meeting held on August 13, 2026	August 13, 2026

1. Introduction and Objective

This Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions (the “Policy”) is framed by Riga Sugar Co. Limited (the “Company”) pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) read with Schedule XII thereto, and Sections 177(4), 184, 188 and 189 of the Companies Act, 2013 (the “Act”) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (the “Meetings Rules”).

The Policy lays down the criteria for identifying related parties and related party transactions, fixes the thresholds at which a related party transaction is material, and prescribes the manner in which related party transactions are to be reviewed, approved, ratified and disclosed, so that every such transaction is transparent, is entered into on arm’s length terms, and protects the interests of the Company and of its minority shareholders.

The Company is a subsidiary of Nirani Sugars Limited (the “Holding Company”). The Holding Company, its group entities, and their respective directors and key managerial personnel are accordingly related parties of the Company, and this Policy is expected to apply most frequently to dealings with them. As on the date of adoption of this Policy the Company does not have any subsidiary, associate or joint venture company; the provisions of this Policy relating to subsidiaries shall apply as and when any subsidiary is incorporated or acquired.

2. Definitions

- 2.1 **“Audit Committee”** means the Audit Committee of the Board of Directors of the Company constituted under Section 177 of the Act and Regulation 18 of LODR.
- 2.2 **“Related Party”** means a related party as defined under Section 2(76) of the Act or under the applicable accounting standards, and includes, in terms of Regulation 2(1)(zb) of LODR, (a) any person or entity forming part of the promoter or promoter group of the Company; and (b) any person or entity, directly or indirectly, holding equity shares of ten per cent or more of the Company, either directly or on a beneficial interest basis as provided under Section 89 of the Act, at any time during the immediately preceding financial year.
- 2.3 **“Related Party Transaction” or “RPT”** means a transaction involving a transfer of resources, services or obligations between the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand, regardless of whether a price is charged, and includes a single transaction or a group of transactions in a contract, as provided in Regulation 2(1)(zc) of LODR. The following are not related party transactions: the issue of specified securities on a preferential basis, subject to compliance with the applicable regulations; and the payment of dividend, sub-division or consolidation of securities, issue of securities by way of a rights issue or a bonus issue, and buy-back of securities, in each case where uniformly applicable to all shareholders in proportion to their shareholding and subject to compliance with the applicable regulations.

- 2.4 **“Relative”** has the meaning assigned to it under Section 2(77) of the Act read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.
- 2.5 **“Key Managerial Personnel”** or **“KMP”** has the meaning assigned to it under Section 2(51) of the Act.
- 2.6 **“Material Related Party Transaction”** and **“Material Modification”** have the meanings assigned to them in clauses 4.1 to 4.3 of this Policy.
- 2.7 **“Ordinary course of business”** means a transaction that is necessary or incidental to, or in furtherance of, the business of the Company, being the manufacture and sale of sugar, ethanol, power and their by-products and co-products, having regard to the objects set out in the Memorandum of Association, the past practice of the Company, the customs and usages of the sugar industry, and the frequency and recurrence of such transactions.
- 2.8 **“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, as explained under Section 188 of the Act.
- 2.9 **“Turnover”** and **“net worth”** have the meanings assigned to them under Section 2(91) and Section 2(57) of the Act respectively, and shall be computed on the basis of the last audited financial statements of the Company.
- 2.10 Words and expressions used but not defined in this Policy shall bear the meanings assigned to them under the Act, LODR, the applicable accounting standards, or the rules and regulations made thereunder, as the context may require.

3. Identification of Related Parties and Related Party Transactions

- 3.1 The Company Secretary, together with the Chief Financial Officer, shall maintain a master list of the related parties of the Company (the “Related Party Master”), compiled from: (a) the disclosures of interest made by every director under Section 184 of the Act in Form MBP-1 at the first meeting of the Board in each financial year and whenever a change occurs; (b) the disclosures made by the KMP and members of Senior Management of their relatives and of the entities in which they or their relatives are interested; (c) the shareholding pattern of the Company and the records of the registrar and share transfer agent, for the purpose of identifying the promoter group and holders of ten per cent or more of the equity shares; and (d) the particulars of the Holding Company and its group entities furnished by the Holding Company.
- 3.2 Every director, KMP and member of Senior Management shall promptly inform the Company Secretary of any change in the particulars furnished by them. The Related Party Master shall be reviewed and updated at least once in every quarter and placed before the Audit Committee.
- 3.3 Before any functional head enters into or proposes any transaction or arrangement with a counterparty, they shall ascertain from the Related Party Master, through the Chief Financial Officer or the Company Secretary, whether the counterparty is a related party, and shall intimate every proposed related party transaction in advance so that the approvals required under this Policy may be obtained before the transaction is entered into.
- 3.4 Related party transactions include, without limitation: (a) sale, purchase or supply of goods or materials, including sugarcane, sugar, molasses, bagasse, ethanol, power and stores and spares; (b) selling, disposing of or buying property of any kind; (c) leasing of property of any kind; (d) availing or rendering of services, including job work, technical, management and shared services; (e) appointment of a related party to any office or place of profit in the Company; (f) underwriting the subscription of any securities or derivatives of the Company; (g) loans, advances, deposits, guarantees, securities, investments and other financial assistance given, taken or provided, including inter-corporate deposits; (h) payments for brand usage or royalty; and (i) any other transfer of resources, services or obligations, whether or not a price is charged.
- 3.5 The Company Secretary shall maintain the register of contracts or arrangements in which directors are interested in Form MBP-4 in terms of Section 189 of the Act.

4. Materiality Thresholds

- 4.1 Material Related Party Transaction.** A related party transaction shall be a Material Related Party Transaction if the transaction or transactions to be entered into, individually or taken together with previous transactions during a financial year, exceed the threshold determined under Schedule XII of LODR by reference to the annual consolidated turnover of the Company as per its last audited financial statements, being as follows:

Annual consolidated turnover of the Company	Threshold for a Material Related Party Transaction
Up to ₹20,000 crore	Ten per cent of the annual consolidated turnover
Above ₹20,000 crore and up to ₹40,000 crore	₹2,000 crore plus five per cent of the annual consolidated turnover in excess of ₹20,000 crore
Above ₹40,000 crore	₹3,000 crore plus two and a half per cent of the annual consolidated turnover in excess of ₹40,000 crore, or ₹5,000 crore, whichever is lower

The annual consolidated turnover of the Company is below ₹20,000 crore, and the applicable threshold is accordingly ten per cent of the annual consolidated turnover of the Company as per its last audited financial statements. As the Company has no subsidiary, its consolidated and standalone turnover are the same.

- 4.2 Brand usage and royalty.** A transaction involving payments made to a related party with respect to brand usage or royalty shall be a Material Related Party Transaction if the transaction or transactions to be entered into, individually or taken together with previous transactions during a financial year, exceed five per cent of the annual consolidated turnover of the Company as per its last audited financial statements.
- 4.3 Material Modification.** For the purposes of this Policy, and as defined by the Audit Committee in terms of Regulation 23 of LODR, a “Material Modification” means any modification, amendment or variation to a related party transaction that has been approved under this Policy which: (a) increases the approved value of the transaction by more than ten per cent; (b) extends the approved tenure of the transaction by more than twelve months; (c) changes the related party with whom the transaction is entered into; (d) alters the pricing mechanism or other commercial terms in a manner that is adverse to the Company; or (e) results in the transaction, together with previous transactions during the financial year, becoming a Material Related Party Transaction.
- 4.4 Aggregation and computation.** The value of related party transactions with a related party shall be aggregated for each financial year for the purpose of determining whether a threshold is crossed. Thresholds under LODR shall be computed on the last audited financial statements of the Company, so that transactions approved during the financial year 2026-27 shall be tested against the audited financial statements for the financial year 2025-26.
- 4.5 Thresholds under the Act.** In addition, under Section 188 of the Act read with Rule 15(3) of the Meetings Rules, the prior approval of the shareholders by resolution is required for a transaction or transactions to be entered into, individually or taken together with previous transactions during a financial year, exceeding the following limits, computed on the basis of the audited financial statements of the preceding financial year:

Nature of transaction under Section 188(1) of the Act	Threshold
Sale, purchase or supply of any goods or materials, directly or through appointment of an agent	Ten per cent of turnover or ₹100 crore, whichever is lower
Selling or otherwise disposing of, or buying, property of any kind, directly or through an agent	Ten per cent of net worth or ₹100 crore, whichever is lower

Nature of transaction under Section 188(1) of the Act	Threshold
Leasing of property of any kind	Ten per cent of net worth, or ten per cent of turnover, or ₹100 crore, whichever is lower
Availing or rendering of any services, directly or through an agent	Ten per cent of turnover or ₹50 crore, whichever is lower
Appointment to any office or place of profit in the Company	Monthly remuneration exceeding ₹2.5 lakh
Remuneration for underwriting the subscription of any securities or derivatives of the Company	One per cent of net worth

5. Approval of Related Party Transactions

Audit Committee

- 5.1 All related party transactions, and all subsequent Material Modifications, shall require the prior approval of the Audit Committee in terms of Section 177(4)(iv) of the Act and Regulation 23(2) of LODR. Only those members of the Audit Committee who are independent directors shall approve related party transactions. A member who is interested in a transaction shall not participate in its consideration.
- 5.2 **Omnibus approval.** The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company that are repetitive in nature, subject to the following conditions: (a) the Audit Committee shall lay down the criteria for granting the omnibus approval, having regard to the need for such approval, the repetitive nature of the transactions and the interest of the Company; (b) the approval shall specify the name or names of the related party, the nature and duration of the transaction, the maximum amount of transactions that can be entered into, the indicative base price or current contracted price and the formula for variation in the price, if any, and such other conditions as the Audit Committee may deem fit; (c) where the need for a related party transaction cannot be foreseen and the details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction; (d) the omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such period; (e) the Audit Committee shall review, at least on a quarterly basis, the details of the related party transactions entered into pursuant to each omnibus approval; and (f) omnibus approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the Company.
- 5.3 **Information to the Audit Committee.** Every proposal shall be placed before the Audit Committee in the form set out in Annexure A, together with the minimum information required under the industry standards on minimum information to be provided for review of the Audit Committee and shareholders for approval of related party transactions, as specified by SEBI from time to time.
- 5.4 **Criteria for approval.** In considering a proposal the Audit Committee shall have regard, among other things, to: (a) the business rationale for the transaction and whether it is in the interest of the Company; (b) whether the terms are at arm's length, supported as appropriate by benchmarking, competitive quotations, an independent valuation or a fairness opinion; (c) whether the transaction is in the ordinary course of business; (d) whether any conflict of interest arises, including any effect on the independence of an independent director; (e) the effect of the transaction on the liquidity, cost of funds and financial position of the Company, and on its obligations under any loan or financing arrangement, restructuring package or resolution plan applicable to it; (f) the effect on the interests of the minority shareholders; and (g) such other factors as the Audit Committee may consider relevant.

Board of Directors

- 5.5 A transaction referred to in Section 188(1) of the Act that is not in the ordinary course of business or is not at arm's length shall require the consent of the Board of Directors by a resolution passed at a meeting of

the Board. A director who is interested in the transaction shall disclose the nature of his or her interest and shall not participate in the discussion of, or vote on, the resolution, in terms of Section 184(2) of the Act. The resolution shall record the particulars required by Rule 15(2) of the Meetings Rules, namely the name of the related party and the nature of the relationship; the nature, duration and particulars of the contract or arrangement; its material terms, including the value; any advance paid or received; the manner of determining the pricing and other commercial terms; and any other relevant information. Where the Board does not accept a recommendation of the Audit Committee, the reasons shall be recorded and disclosed in the Board's Report in terms of Section 177(8) of the Act.

Shareholders

- 5.6 All Material Related Party Transactions and all subsequent Material Modifications shall require the prior approval of the shareholders of the Company by resolution, and no related party shall vote to approve such resolution, whether the entity is a related party to the particular transaction or not, in terms of Regulation 23(4) of LODR. A transaction that exceeds a limit specified in clause 4.5 shall require the prior approval of the shareholders by resolution in terms of Section 188(1) of the Act, and no member who is a related party shall vote on such resolution.
- 5.7 The notice of the general meeting or postal ballot shall contain the explanatory statement and the information required by Section 102 of the Act, Rule 15 of the Meetings Rules and the industry standards referred to in clause 5.3. An omnibus approval of the shareholders obtained at an annual general meeting shall be valid up to the date of the next annual general meeting, for a period not exceeding fifteen months, and an omnibus approval obtained at any other general meeting, including by postal ballot, shall be valid for a period not exceeding one year.

Ratification

- 5.8 Where a contract or arrangement requiring the consent of the Board or of the shareholders under Section 188 of the Act has been entered into without such consent, it shall be ratified by the Board or, as the case may be, by the shareholders within three months from the date on which it was entered into, failing which it shall be voidable at the option of the Board or the shareholders, and if it is with a related party to any director or is authorised by any other director, the directors concerned shall indemnify the Company against any loss incurred, in terms of Section 188(3) of the Act.
- 5.9 Where a related party transaction of a value not exceeding ₹1 crore per transaction has been entered into without prior approval, the Audit Committee may ratify it within three months from the date of the transaction or at its next meeting, whichever is earlier, subject to the conditions specified in Regulation 23(3) of LODR, including that the transaction is not a Material Related Party Transaction and that the rationale for the omission to seek prior approval is recorded and disclosed to the Audit Committee.

Transactions with the Holding Company

- 5.10 Transactions and arrangements with the Holding Company and its group entities, including financial assistance received from them, shall be subject to the same procedure as any other related party transaction. The Audit Committee shall in such cases satisfy itself that the terms are no less favourable to the Company than those that would apply to an unrelated party, that the transaction is consistent with the Company's obligations under any loan or financing arrangement or resolution plan applicable to it, and that the interests of the minority shareholders are not prejudiced.

6. Exemptions and Exclusions

- 6.1 In terms of Regulation 23(5) of LODR, the requirements of prior approval of the Audit Committee and of the shareholders shall not apply to (a) transactions entered into between two government companies; and (b) transactions entered into between a listed 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. As the exemption in (b) is available only where the holding company is itself a listed entity, the Company shall avail of it only after the Company Secretary has confirmed its applicability in writing.

- 6.2 Remuneration and sitting fees paid to directors, KMP and members of Senior Management, other than those who are part of the promoter or promoter group, shall be determined in accordance with Sections 178 and 197 of the Act and the Nomination and Remuneration Policy of the Company and, unless they constitute a Material Related Party Transaction, shall not require separate approval under this Policy. Retail purchases by directors and KMP and their relatives from the Company on terms uniformly offered to all such persons are not related party transactions requiring approval under this Policy, in accordance with LODR.
- 6.3 A transaction that is in the ordinary course of business and at arm's length does not require the consent of the Board or of the shareholders under Section 188(1) of the Act, but shall nevertheless be subject to the approval of the Audit Committee and, where it is a Material Related Party Transaction, of the shareholders, under LODR.

7. Subsidiaries

- 7.1 This Policy shall apply to every subsidiary of the Company, whether incorporated in India or outside India, as and when incorporated or acquired, and each subsidiary shall be required to comply with it.
- 7.2 A related party transaction to which a subsidiary of the Company is a party but the Company is not a party shall require the prior approval of the Audit Committee of the Company if the value of the transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds ₹1 crore and also exceeds the lower of (a) ten per cent of the annual standalone turnover of the subsidiary as per its last audited financial statements; and (b) the threshold for a Material Related Party Transaction of the Company under clause 4.1.
- 7.3 Where the subsidiary does not have audited financial statements for at least one financial year, the prior approval of the Audit Committee of the Company shall be required if the value of the transaction during a financial year exceeds ₹1 crore and also exceeds the lower of (a) ten per cent of the aggregate of the paid-up share capital and securities premium account of the subsidiary, computed on a date not older than three months prior to the date on which approval of the Audit Committee is sought; and (b) the threshold referred to in clause 7.2(b).
- 7.4 A related party transaction to which a subsidiary is a party but the Company is not, and which exceeds the threshold for a Material Related Party Transaction of the Company, shall also require the prior approval of the shareholders of the Company in terms of Regulation 23(4) of LODR.

8. Disclosures and Reporting

- 8.1 The Company shall submit to the stock exchange, within fifteen days from the date of publication of its financial results for the half year, or within such other time as may be prescribed, the disclosure of related party transactions on a consolidated basis in the format specified by SEBI, and shall publish the same on its website, in terms of Regulation 23(9) of LODR.
- 8.2 The Board's Report shall contain the particulars of contracts or arrangements with related parties in Form AOC-2 in terms of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014. The financial statements shall disclose related party transactions and balances in accordance with the applicable accounting standards, and the Annual Report shall contain the disclosures relating to related party transactions required under Schedule V of LODR.
- 8.3 The results of the voting on any resolution for the approval of a related party transaction shall be disclosed to the stock exchange in accordance with LODR.

- 8.4 This Policy shall be disclosed on the website of the Company in terms of Regulation 46(2)(g) of LODR, and a web-link to this Policy shall be provided in the Annual Report of the Company.

9. Responsibilities and Internal Controls

- 9.1 The Company Secretary and the Chief Financial Officer shall be responsible for maintaining the Related Party Master, for screening every proposed transaction against it, for tracking the aggregate value of transactions with each related party against the thresholds in this Policy, for preparing the proposals to be placed before the Audit Committee, the Board and the shareholders, and for the maintenance of the records and registers required under this Policy.
- 9.2 Every functional head shall ensure that no transaction with a related party is committed to, or acted upon, without the approvals required under this Policy, and shall report every related party transaction entered into by their function to the Company Secretary.
- 9.3 The Company Secretary shall place before the Audit Committee at each quarterly meeting a report of all related party transactions entered into during the quarter, the utilisation of each omnibus approval, the aggregate value of transactions with each related party for the financial year against the applicable thresholds, and any changes to the Related Party Master. The internal auditors shall test compliance with this Policy as part of the internal audit programme approved by the Audit Committee.

10. Consequences of Non-Compliance

A contravention of this Policy shall be reported to the Audit Committee and shall be treated as a breach of the Code of Conduct for the Board of Directors and Senior Management or, in the case of an employee, of the service rules, and may attract disciplinary action. A contravention of Section 188 of the Act or of LODR may also attract the consequences provided in Section 188(5) of the Act, the Securities and Exchange Board of India Act, 1992 and LODR.

11. Review and Amendment

The Board of Directors, on the recommendation of the Audit Committee, shall review this Policy at least once in every three years and update it accordingly, and may amend it from time to time. Any subsequent amendment or modification in the Act, LODR or any applicable law shall automatically apply to this Policy, and to the extent of any inconsistency, the provisions of the Act and LODR shall prevail. The definition of Material Modification may be revised by the Audit Committee from time to time and shall be disclosed as part of this Policy.

For Riga Sugar Co. Limited

Company Secretary & Compliance Officer

Annexure A

Form of proposal for approval of a related party transaction — to be placed before the Audit Committee

S. No.	Particulars	Details
1.	Name of the related party and nature of the relationship (including the nature of its interest)	
2.	Name of the director(s) or KMP who is or are interested in the transaction	
3.	Type of transaction, its material terms and its tenure	
4.	Value of the proposed transaction, and aggregate value of transactions with the related party during the financial year including the proposed transaction	
5.	Value as a percentage of the annual consolidated turnover of the Company as per the last audited financial statements; whether a Material Related Party Transaction or a Material Modification	
6.	Business rationale for the transaction and benefit to the Company	
7.	Basis of pricing and justification that the transaction is at arm's length (benchmarking, quotations, valuation report or fairness opinion, as applicable)	
8.	Whether the transaction is in the ordinary course of business	
9.	Advance paid or received, and any security given or taken	
10.	In the case of a loan, inter-corporate deposit, advance or investment: source of funds, cost of funds, tenure, rate of interest, repayment schedule, whether secured or unsecured, and the purpose of utilisation	
11.	Whether any restriction under a loan or financing arrangement, restructuring package or resolution plan applies to the transaction	
12.	Whether omnibus approval is sought, and if so, the maximum value, the nature and the period	
13.	Approvals required (Audit Committee / Board / shareholders)	
14.	Any other information relevant for the decision of the Audit Committee	

