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McLEOD RUSSEL INDIA LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. SCOPE

This Policy on Related Party Transaction (“Policy”) is framed pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time. The said regulation mandated listed company to formulate a policy on materiality of related party transactions and on dealing with related party transaction. 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 Regulations 23 read with 2(1) of the SEBI Listing Regulations, Mcleod Russel India Limited (“the Company”) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions. .

This Policy has been adopted by the Board of Directors of the Company (“Board”) based on the 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. This Policy has been amended as per the recommendations of the Audit Committee in its meeting held on 13th February 2026 and approved by the Board of Directors at its meeting also held on 13th February 2026.

2. OBJECTIVE

The objective of this Policy is to set out (a) the basis of identifying related parties of the Company as well as related party transactions, (b) the materiality thresholds for related party transactions and (c) the manner of entering into transactions between the Company and its related parties based on the Act read with the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

“**Act**” means the Companies Act, 2013 as amended from time to time.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

“**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“**Board**” means the Board of the Director of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and in accordance with the Act.

“**Industry Standards**” means the minimum information and process standards as prescribed by the Industry Standards Forum (ISF) and mandated by SEBI from time-to-time for Related Party Transactions.

“**Key Managerial Person**” means Key Managerial Personnel as defined in Section 2(51) of the Act.

“**Material Related Party Transactions**” means transaction(s) with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations.

However, 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 5% percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“Related Party” means Related Party as defined under Section 2 (76) of the Act Regulation 2(zb) of SEBI Listing Regulations and applicable Accounting Standards.

“Related Party Transaction” have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended and means transaction involving a transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) the Company 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 Company 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:

Further, a related party transaction shall include following transaction as mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Act either single or a group of transactions in a contract-

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the company;

Further related party transaction shall means such other transaction(s) as may be notified from time to time under the Act and or the Regulations.

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 bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits including payment of interest thereon ,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 including payment of interest thereon, 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;
- (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.

“Relative” means Relative as defined in section 2(77) of the Act and Regulation 2(zd) of SEBI Listing Regulations.

“Material Modification(s)” means in relation to any Related Party Transaction of the Company shall mean and includes any modification to an existing related party transaction having variance of 20% of the existing limit sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation, each as amended.

4. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The Company shall identify Related Parties (including those of its subsidiaries), as per requirement of Act and SEBI Listing Regulation and keep the related party list updated from time to time.

Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiary shall, (a) at the time of appointment; (b) periodically – as required by the Company or applicable law; (c) whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary. Every such promoter, director and KMP shall also provide any additional information about the transaction that the Board / Audit Committee may reasonably request.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel / Promoters as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in Act and the rules thereunder and SEBI Listing Regulation, as amended from time to time.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

(a) AUDIT COMMITTEE APPROVAL

All transactions identified as Related Party Transactions (RPT) and subsequent material modifications shall require prior approval of the Audit Committee of the Company. If the Audit Committee approves any transaction it shall forward the same to the Board for its approval. The Board shall consider the transaction in terms of this policy and grant approval if the same is in the best interest of the Company.

Provided that only those members of Audit Committee, who are independent directors, shall approve related party transactions.

The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

The Company shall while seeking approval of the Related Party Transactions, place before the Audit Committee all such information as may be applicable in terms of the Industry Standards, the disclosures as prescribed under the relevant SEBI circulars read with the provisions of the SEBI Listing Regulations and the Act, as amended from time to time.

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:

- a. The Audit Committee shall lay down the criteria for granting the 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.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify (i) the name/s of the related party and its relationship with the Company or its subsidiary, 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, (iii) minimum information about the RPTs as per the provisions of the Industry Standards as well as additional information as specified by SEBI from time to time and (iv) such other conditions as the Audit Committee may deem fit;

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 ₹1 crore per transaction.

- d. the 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 approvals given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

The Audit committee members, 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. Ratification shall be subject to the conditions as specified in the Act and/or the SEBI Listing Regulations.

Further, in case any transaction (not being a specified transaction between the Company and its wholly owned subsidiary) involving any amount not exceeding ₹ 1 crore is entered into by a Director or Officer of the Company without obtaining the approval of the Audit Committee and which is not ratified by the Audit Committee within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, such transaction will be 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 concerned shall indemnify the Company against any loss incurred by it.

In any case, where the Committee determines not to ratify a Related Party Transaction(s) that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the Related Party Transaction(s). The Committee shall have the authority to modify or waive any procedural requirements of this Policy.

The following related party transactions shall not require prior approval of the Audit Committee of the Company:

- i. A transaction, other than a transaction referred to in Section 188 of the Companies Act, 2013, 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. Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iii. A related party transaction above ₹1 crore whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction, does not exceed the lower of the following:
 - (a) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
 - (b) the threshold for material related party transactions of listed entity as specified in Schedule XII of the SEBI Listing Regulations.
- iv. In the event of a related party transaction above ₹1 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 and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the Company shall not be obtained if the value of such transaction does not exceed the lower of the following:
 - (a) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
 - (b) the threshold for material related party transactions of listed entity as specified in Schedule XII of the SEBI Listing Regulations. Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.
- v. 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 the SEBI Listing Regulations are applicable to such listed subsidiary.
- vi. Transactions between unlisted subsidiary of a listed subsidiary (i.e. stepdown subsidiary of the Company) and related party of the Company or related party of such subsidiary, provided the listed subsidiary seeks prior approval of its Audit Committee.
- vii. 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, provided that the same is not material

(b) APPROVAL OF BOARD OF DIRECTORS

All the Related Party Transactions and subsequent material modification shall be approved by the Board of Directors of the Company, except:

- (i) transactions entered into by the Company are in its ordinary course of business; and
- (ii) transactions are at an arm's length basis.

The Board will inter alia consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

(c) APPROVAL OF SHAREHOLDERS

All transactions with Related Parties exceeding the materiality thresholds and any subsequent material modification, as stated below, shall require prior approval of the Shareholders by a resolution:

- a) If the transaction/transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds as specified in Regulation 23 of the SEBI Listing Regulations read with Schedule XII of the said SEBI Listing Regulations;
- b) A transaction involving payments made with respect to brand usage or royalty, if the transaction/transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;
- c) All transactions specified under Section 188 of the Act which are not at arm's length or not in the ordinary course of business and exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

In aforesaid cases, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

The Company shall while seeking approval of the shareholders, include in the Statement to the notice being sent to shareholders seeking their approval for proposed Related Party Transactions all such information as may be applicable in terms of the Industry Standards, the disclosures as prescribed under the relevant SEBI circulars read with the provisions of the SEBI Listing Regulations and the Act, as amended from time to time.

The following related party transactions shall not require prior approval of the shareholders of the Company:

- i. Transactions entered into between the Company and its Wholly-owned Subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ii. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- iii. 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.
- iv. Transactions between unlisted subsidiary of a listed subsidiary (i.e. step down subsidiary of the Company) and related party of the Company or related party of such subsidiary, provided the listed subsidiary seeks prior approval of the shareholders.
- v. In respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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 Act or rules, notifications, or circulars issued thereunder from time to time.

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.

6. MATERIALITY THRESHOLD

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions with its related party. In any event, if a Related Party Transaction (“RPT”) exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions.

None of the related parties (“RPs”) of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RP’s can cast only negative vote to reject the resolution seeking approval of material RPT(s)).

The Company has fixed the following materiality thresholds for the purpose of existing Regulation 23 of the SEBI Listing Regulations and the same shall stand altered in accordance the limits as stipulated vide Schedule XII of the SEBI Listing Regulations:

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 upto ₹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.

However, 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 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

In case of any change in the materiality thresholds by way of amendment in the SEBI Listing Regulations the revised thresholds will be applicable automatically

7. RELATED PARTY TRANSACTIONS NOT REQUIRING ANY APPROVAL

The following Related Party Transactions shall not require approval of Audit Committee or Shareholders.

- I. Transactions involving payment of compensation/remuneration to a Director for the duties performed by him or her in terms of his/her terms of appointment including reimbursement of reasonable business and travel expenses incurred in the ordinary course of business if the same is already approved by the Board.
- II. 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 received the same benefits pro rata as the Related Party.

- III. 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;
- IV. 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.
- V. Retail purchases from the Company or its subsidiary by the directors or key managerial personnel of the Company 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 such directors or key managerial personnel.
- VI. The 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 provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI Listing Regulations
- VII. Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/ Companies Act, 2013.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY.

The Audit Committee and the Board will not approve a proposed Related Party Transaction if it considers that the transaction is not in the best interest of the Company.

A related party transaction entered into without approval under this Policy shall not be deemed to violate this policy, or to be invalid or unenforceable, so long as the transaction is approved or ratified as soon as reasonably practical after any Officer/Director of the Company becomes aware of such transaction.

Where in terms of Section 188(3) of the Companies Act, 2013, the Board decides not to ratify a related Party Transaction which has already commenced without prior approval, the Committee and the Board may direct immediate discontinuation or rescission of the transaction. The Committee may also ask for modification of the Terms in the best interest of the Company.

In addition to the Directors and Key Managerial personnel, this Policy will be communicated to all Operational Heads and the Senior Executives of the Company for overall awareness to facilitate statutory compliances.

9. DISCLOSURE

- i. The Company shall also disclose, in the Board's Report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in the ordinary course of business or not on an arm's length basis along with the justification for entering into such transaction.
- ii. The Company shall submit to the Stock Exchanges disclosures of related party transactions in the format as specified by the Board from time to time every six months on the date of publication of its standalone and consolidated financial results and publish the same on the website.
- iii. The Company and its subsidiaries shall in 'Corporate Governance Report' disclose Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- iv. The Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.

- v. The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs and shall also send a Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.
- vi. Such other disclosures as may be prescribed under applicable laws and Regulations.

10. AMENDMENTS AND REVIEW

The Policy formulated by the Board may be amended, substituted or modified by the Audit Committee subject to approval of Board. In case of any amendment to the provisions relating to related parties in the Act and the Rules made thereunder or the SEBI Listing Regulations, this Policy shall stand amended/modified accordingly. The Policy shall be reviewed by the Board of Directors at least once in every three years and updated accordingly. In case of any inconsistency between this Policy and the applicable laws, as may be amended from time to time, the provisions of such applicable laws would prevail over this Policy.