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**RELATED PARTY TRANSACTION POLICY****1) PREAMBLE**

This Policy is intended to ensure timely identification of a Related Party Transaction ("RPT"), its salient terms and conditions, detail the approval process, outline the disclosure and reporting requirements thereof and to ensure transparency in the conduct of RPT's, so that there is no conflict of interest. As per the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), **SHASHIJIT INFRAPROJECTS LIMITED** ("SIPL" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company. The revised policy will be effective from 17/01/2025.

Related Party Transactions are considered appropriate only if they are in the best interests of the Company and its Shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

**2) OBJECTIVE**

The objective of this Policy is mainly (i) determination of the materiality thresholds for related party transactions and; (ii) the manner of dealing with the transactions between the Company and its related parties based on the Act, the Regulations and any other laws and regulations as may be applicable to the Company.

**3) DEFINITIONS**

**Act** means the Companies Act, 2013

**Arm's Length Transactions** means the transactions carried out between the Related Parties as if they are not related to each other, so to avoid the 'Conflict of Interest'.

**Audit Committee or Committee** means Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013 and the Listing Agreement.

**Board** means Board of Directors of the Company

**Control** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

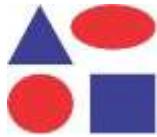
**Key Managerial Personnel or KMP** means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Chief Financial Officer;
- (iii) the Whole - Time Director;
- (iv) the Company Secretary



- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed under Section 2(51) of the Act.

**Ordinary course of business** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes



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all such activities which the company can undertake as per Memorandum & Articles of Association.

**Material Modification** shall mean an amendment to the terms of a transaction / agreement / commitment with / to a Related Party, the effect of which will be an increase over the approved limit for a transaction, by an amount more than 25% (Twenty-Five per cent) of the approved limit, whichever is higher.

Provided that material modifications shall be deemed to include the following, without application of the above criteria:

- a) In case of a loan or deposit or any other means of funding, any deviation in the objects or purposes for which the loan or deposit was given or funding was made or received;
- b) In case of any other transaction or agreement, any amendment which will have an effect of
  - i. deferring the consummation of such transaction or agreement by a period beyond one year from the existing approved term / period; or
  - ii. renewing or extending the term of the transaction or agreement for a period exceeding one year of its existing approved term / period.

Provided further that any modification to the transactions / agreements entered into:

- a) for sale, purchase or supply of any goods or materials or availing or rendering of any services in the ordinary course of business and on arm's length basis;
- b) between the Company and its wholly owned subsidiary, if any;
- c) 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 annual general meeting for approval,

shall be excluded from the applicability of above definition.

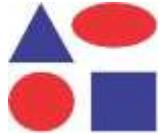
Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Securities Contract Regulation Act, 1956 or any other applicable law or regulation.

**Net worth** means the aggregate value of the paid-up share capital and all reserves credited out of the profits, securities premium account and debit and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation;

**Policy** means this Related Party Transaction Policy of the Company.

**Related Party** means a person or an entity;

- (i) Which is a related party under Section 2(76) of the Companies Act, 2013, as amended



from time to time

- (ii) Which is a related party under the applicable accounting standards.
- (iii) Which is a related party under Regulation 2(1) (zb) of the the SEBI (LODR) Regulations, 2015.

**Provided that** any person or entity forming a part of the promoter or promoter group of the Company or any person or entity, holding equity shares of 20% or more in the Company either directly or on a beneficial interest basis as provided under Section 89 of the



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Companies Act, 2013, at any time, during the immediately preceding financial year shall be deemed to be a related party (effective from 1st April 2022). The threshold is set to be lowered to 10% w.e.f. 1<sup>st</sup> April 2023.

**Relative** means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

**Promoter** and **Promoter Group** shall have the respective meanings as assigned to them in the Listing Regulations;

**Related Party Transaction** or **RPTs** means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, specifically including transactions under Section 177 and Section 188 of the Act including rules thereof, as defined in applicable accounting standards and as defined in Regulation 2(1) (zc) of the Listing Regulations.

**Further, w.e.f April 1, 2022** “related party transaction” would mean a transaction involving a transfer of resources, services or obligations between 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;

**Further, w.e.f April 1, 2023** “related party transaction” would mean a transaction involving a transfer of resources, services or obligations between 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.

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 RPT and does not require approval:

- (i) 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;
- (ii) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding as approved by the Board and carried out in accordance with the specific provisions of the Act or SEBI Regulations:
  - payment of dividend;
  - subdivision or consolidation of securities;
  - issuance of securities by way of a rights issue or a bonus issue; and
  - buy-back of securities, Capital reduction, merger, demerger, hive-off,

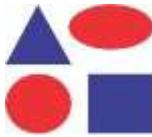
#### **4) MATERIALITY THRESHOLDS**

Regulation 23(1) of SEBI Regulations requires a company to provide materiality thresholds for transactions beyond which the prior approval of shareholders will be required by way of an Ordinary Resolution.



The materiality thresholds as prescribed under the Acts are as under:

No.	Nature of the Transaction	Materiality Thresholds under the Companies Act, 2013	Materiality Thresholds under the Listing Regulations
01	Sale, purchases or supply of any goods or materials directly or	Amounting to 10% or more of Turnover of the Company	

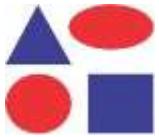


	through appointment of agent as mentioned under sub-section (1) of section 188 of the Act		
02	Selling or otherwise disposing of, or buying property of any kind directly or through appointment of agent as mentioned under sub-section (1) of section 188 of the Act.	Amounting to 10% or more of Turnover of the Company	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 rupees 1000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower."
03	Leasing of property of any kind as mentioned under sub-section (1) of section 188 of the Act.	Amounting to 10% or more of Turnover of the Company	
04	Availing or rendering of any services, directly or through appointment of agent as mentioned under sub-section (1) of section 188 of the Act.	Amounting to 10% or more of Turnover of the Company	
05	Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company as mentioned under sub-section (1) of section 188 of the Act.	Where monthly remuneration exceeds Rs. 250,000/-	
06	Underwriting the subscription of any securities or derivatives thereof, of the company as mentioned under sub-section (1) of section 188 of the Act	Amount exceeding 1% of Net Worth of the Company.	
07	Any other transfer of Resources, Services and Obligations with a Related Party	Transaction, individually or taken together with previous transactions during a financial year, exceeds rupees 1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial	



		statements of the listed entity, whichever is lower
08	payments made to a related party with respect to brand usage or royalty	transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

*\*Subject to change as per amendment to the Rules from time to time.*



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**Explanation**

- Thus all transactions with Related Parties beyond the materiality threshold limit, as laid down above and subsequent material modification thereto would be placed before the shareholders for prior approval, irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm's length.
- It is hereby clarified that the limits specified in sub-clause 1 to 8 shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
- The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.
- The Companies (Amendment) Act, 2015 and Regulation 23(5) of the SEBI Regulations provides exemption for seeking shareholders' approval (by Ordinary Resolution) for related party transactions between the Company and its wholly-owned subsidiaries whose accounts are consolidated and placed before the Shareholders at the General Meeting for approval.
- all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.
- In addition to the above, all below mentioned transactions as specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the threshold limits laid down in Companies (Meetings of Board and its Powers) Rules, 2014, would be placed before the shareholders for their approval.

**5) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS :****5.1 Identification of Related Party**

Each Director and Key Managerial Personnel shall disclose to the Company, its Related Parties. The Board shall record the disclosure of Interest. Each director and Key Managerial Personnel has the responsibility of providing notice to the Board or Audit Committee of any potential Related Party Transaction involving such Director or KMP or his or her Relative. He/she must also share any additional information about the transaction that the Board/Audit Committee may reasonably require.

**5.2 Prohibitions related to Related Party Transactions**

All Related Party Transactions and subsequent material modifications thereof shall require prior approval of Audit Committee and approval of the Board.

Further, all Material Related Party Transactions and subsequent material modifications thereof shall require prior approval of the shareholders through Ordinary Resolution, wherein the related party(ies) shall abstain from voting on such resolution(s).

**5.3 Identification of related party transactions**

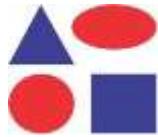
It shall be the duty of the Board or the Audit Committee to determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Company insists that such notice of any potential Related Party Transaction shall be issued within 7 days of such Director/ KMP receiving the knowledge



of such Transaction. This will ensure that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction

**5.4 Procedure for approval of related party transactions****Approval of the Audit Committee**

- a)** Every Related Party Transaction and subsequent Material Modifications shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions and subsequent material



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modifications proposed to be entered into with the Company which are repetitive in nature and are in the ordinary course of business and on at Arm's Length basis, subject to compliance of the conditions contained in Companies Act, 2013.

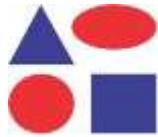
- b)** Only the Independent Directors who are members of Audit Committee shall approve the Related Party Transactions.
- c)** A RPT to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company with effect from April 1, 2022.
- d)** Further, with effect from April 1, 2023 a RPT to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the Audit Committee of the Company, if the value exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- e)** Prior approval of the Audit Committee of the Company shall not be required for a RPT to which the listed subsidiary is a party but Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations are applicable to such listed subsidiary.

**Explanation:** For RPT of unlisted subsidiaries of a listed subsidiary as referred to above, the prior approval of the audit committee of the listed subsidiary shall suffice.

- f)** The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall provide –
  - i)** The name/s of the related party, nature of transaction, period of transaction,
  - ii)** maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
  - iii)** the maximum value per transaction which can be allowed;
  - iv)** Extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
  - v)** Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
  - vi)** Transactions which cannot be subject to the omnibus approval by the Audit Committee.



- vii)** Such other conditions as the Audit Committee may deem fit.
- g)** However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 Crore per transaction.
- h)** The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: (i) repetitiveness of the transactions (in past or in future); and (ii) justification for the need of omnibus approval.



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- i)** The omnibus approval shall contain or indicate the following
  - i)** Name of the related parties;
  - ii)** Nature and duration of the transaction;
  - iii)** Maximum amount of transaction that can be entered into;
  - iv)** The indicative base price or current contracted price and the formula for variation in the price, if any; and
  - v)** Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction

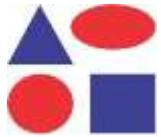
Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- j)** The Audit committee shall review, at least on a quarterly basis, the details of RPTs and material modifications thereof entered into by the company pursuant to the omnibus approval given.
- k)** Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.
- l)** Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- m)** In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
  - i)** 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.;
  - ii)** Whether the Related Party Transaction would affect the independence of an independent director;
  - iii)** 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;
  - iv)** Whether the nature of the proposed transaction is something that the Company would have ordinarily done in the course of its business;
  - v)** Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company and any other factors the Board/Committee deems relevant.
  - vi)** Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any



law; and

- vii)** Any other factor the Committee deems relevant for reviewing and approving such Related Party Transaction.
- viii)** Transaction entered into to enable a company remain as a going concern.
- ix)** A bonafide transaction done. The contract should be incidental to the business.
- x)** Provision in the Memorandum of Association or any legal obligation pursuant to which an activity is undertaken.



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- xii)** If necessary, the Committee may seek external professional advice in determining whether a transaction is in the ordinary course of business or at arm's length basis.
- xiii)** All Material Related Party Transactions shall be approved by members of the Company.

Whether a contract is in the ordinary course of business will have to be determined on the facts of each case and by considering the points mentioned above, not in isolation but in combination.

**Approval of the Board of Directors of the Company**

- a)** If the Audit Committee determines that, related party transactions is
  - 1) A Material RPT or its subsequent Material Modification
  - 2) Which are not in the ordinary course of business
  - 3) Not at arm's length basis

Audit Committee shall place the matter before the Board for obtaining its approval, unless exempted.

- b)** In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval
  - i)** 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;
  - ii)** 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;
  - iii)** 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.
  - iv)** Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.
- c)** Any member of the Board who has any interest in any RPT will recuse himself and abstain from discussion and voting on the approval of the RPT

**Explanation:** Any director of a company is considered interested, if the Director is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered-

- a) with a body corporate in which a director (singly or along with other directors) holds more than 2% shareholding or is a promoter/manager/ Chief Executive Officer of that Body Corporate.
- b) with a firm or other entity in which such Director is a partner, owner or member.

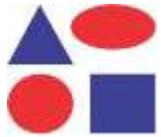
**Approval of the Shareholders of the Company**

- a)** Unless exempted, all Material RPTs and subsequent Material Modifications thereto,



whether in ordinary course of business and/or on arm's length basis or not, shall require prior approval of the shareholders by passing Ordinary Resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

- b)** For this purpose, 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.



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**Explanation:** For RPTs of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

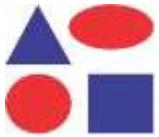
- c)** Prior approval of the shareholders of the Company shall not be required for a RPT to which the listed subsidiary, if any, is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of Regulation 15 of the Listing Regulations are applicable to such listed subsidiary.
- d)** Section 188 of Companies Act, 2013 provides that the requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies (if any) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- e)** In addition to the above, all kinds of transactions specified under Section 188 of the Act which: (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

## **6) DISCLOSURE**

- a)** It shall be mandatory for every stakeholder of Shashijit InfraProjects Limited covered by this Policy to make a full advance disclosure, in writing to the Audit Committee with all details of transactions that are proposed to be entered into by such a person with the Company, or by him on behalf of the Company with a Related Party
- b)** All newly appointed officials and directors shall disclose their interest in companies, firms or association of individuals at their first meeting of the Board of Directors attended by them and thereafter every year as per the provisions of Section 184 of the Act.
- c)** Every official, director or KMP shall, in accordance with Section 189 of the Companies Act, within 30 days of his appointment or relinquishment of office disclose his concern or interest in any company or body corporate, firms or individuals including his shareholding and also contracts or arrangements in which he is directly or indirectly interested. [Section 184 of the Act].
- d)** Any official or director who (individually or together with other directors) holds more than 2% share in any company or body corporate, and any proposed contract or arrangement with such company or body corporate in which he is interested or concerned whether directly or indirectly, or in which he is a promoter or manager or chief operating officer of that company or body corporate (as per the Act); and who holds more than 20% of voting power shall promptly make a disclosure of such interest to the Company.



- e)** Any director or Official including KMPs shall promptly notify the Company of any material interest that such person or a Relative of such person had, has or may have in a Related Party Transaction. The notice shall include a description of the transaction and the aggregate amount.
- f)** Details of all transactions with related parties shall be disclosed to Audit Committee on quarterly basis.



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- g)** Disclosures in relation to related party transactions shall be made in the financial statements of the Company. [Section 188(2) of the Act and IND AS 24].
- h)** Company shall disclose this Policy on its website i.e [www.shashijitinfraprojects.com](http://www.shashijitinfraprojects.com)
- i)** Company shall also disclose the related parties' transactions in board's report, in accordance with the provision of Companies Act, 2013 and to the Stock exchanges as per applicable provision of Regulation, whenever it is applicable.

**7) RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The 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 Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

Section 188 (3) of the Act states that where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting, then such RPT transaction shall be ratified within three months from the date on which such contract or arrangement was entered. Such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders. If such contract or arrangement 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 by it.

In any case, where the Committee determines not to ratify a Related Party Transaction 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 transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

**8) REVIEW OF POLICY**

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the policy based on the changes that may be brought about due to any regulatory amendments or otherwise. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments & rules shall prevail over this Policy. Any



subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

**This Policy has been reviewed by the Audit Committee at its meeting held on 02/01/2025 and approved and adopted by Board of Directors at its meeting held on 17/01/2025.**

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