



STEEL INFRA SOLUTIONS COMPANY LIMITED

Registered Office: D-66, Ground Floor, Hauz Khas New Delhi-110016

CIN: U27300DL2017PLC324842

RELATED PARTY TRANSACTIONS POLICY

Version 1.0

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PREAMBLE

The Board of Directors (the “Board”) Steel Infra Solutions Company Limited (Formerly known as Steel Infra Solutions Company Private Limited and Steel Infra Solutions Private Limited) (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

The Audit Committee will review and may amend this policy from time to time. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company

PURPOSE

This policy is intended to ensure the proper approval and reporting of transactions between the Company and Related Parties as per requirement /compliance of Section 188 of the Companies Act, 2013 read with respective Rules thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DEFINITIONS:

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**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. For determination of Arm’s Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

“**Audit Committee or Committee**” means “**Audit Committee**” constituted by the Board of Directors of the Company under provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013, from time to time.

“**Associate Company**” means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company. Explanation – For the purpose of this clause, “Significant Influence” means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement. The expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time. “Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Key Managerial Personnel**” means Key Managerial Personnel of the Company in

terms of the Companies Act, 2013 and rules made thereunder.

“Material Related Party Transaction” in terms of Listing Regulations means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

- (i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- (ii) In case of any other transaction(s), if the amount exceeds Rs. 1,000 Crores or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower. “Material Modification” in terms of Listing Regulations means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (Twenty Percent) or more, in the relevant previously approved related party transaction. “Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules made thereunder or under the applicable accounting standards:

As per the Section 2(76) of Companies Act, 2013 read with Rule 3 of the Companies (Specification of definition details) Rules, 2014: ‘**Related party**’, with reference to the Company, means :

- I. a director or his relative;
- II. a key managerial personnel or his relative;
- III. a firm, in which a director, manager or his relative is a partner;
- IV. a private company in which a director or manager or his relative is a member or director;
- V. a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- VI. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- VII. any person on whose advice, directions or instructions a director or manager is accustomed to act;
- VIII. Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- IX. any body corporate which is:-
 1. a holding, subsidiary or an associate company of such Company;
 2. a subsidiary of a holding Company to which it is also a subsidiary; or
 3. an investing Company or the venture of a Company
- X. a director other than independent director or key managerial personnel of the holding Company or his relative with reference to a Company, shall be deemed to be a related party;

As per the Regulation 2 (1)(zb) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 “related party” means a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards

“Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party:

“Related Party Transaction”:

1. As per Section 188 (1) Companies Act, 2013, Related Party Transactions includes any contract or arrangement with a related party with respect to:-

- 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.

2. As per the Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) 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; or
- (ii) 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, 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:

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 which are uniformly applicable/offered to all

shareholders in proportion to their shareholding:

1. payment of dividend;
 2. subdivision or consolidation of securities;
 3. issuance of securities by way of a rights issue or a bonus issue; and
 4. buy-back of securities.
- c) acceptance of fixed deposits 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 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: Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);”

“Relative” :

As per the Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014:

‘Relative’, with reference to any person, means anyone who is related to another, if

- I. they are members of a Hindu Undivided Family;
- II. they are husband or wife; or
- III. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-
 - (a) Father including step father
 - (b) Mother including step mother
 - (c) Son including step son
 - (d) Son’s wife
 - (e) Daughter
 - (f) Daughter’s Husband
 - (g) Brother including step brother
 - (h) Sister including step sister

POLICY AND PROCEDURE

1. POLICY

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

2. PROCEDURE

A. Identification of Related Party Transactions:

Every director shall at the beginning of the financial year provide information by way of written notice to the company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in the Companies Act, 2013 and the rules thereunder and Listing Regulations as amended from time to time.

B. Review and approval of Related Party Transaction:

- **Approval of Audit Committee:**

Every Related Party Transaction and subsequent material modification shall be subject to the prior approval of the Audit Committee. Members of the Audit Committee, who are Independent Directors, shall only approve related party transactions.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance of the conditions contained in the Companies Act, 2013 and Listing Regulations as amended from time to time. The audit committee shall review the status of long-term, (more than a year) or recurring RPTs on an annual basis.

Prior approval of the audit committee shall be required for:

- a. All RPTs and subsequent Material Modifications;
- b. RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company, as per the last audited financial statements of the Company;
- c. with effect from April 1, 2023, a related party transaction to which the Company's subsidiary is a party but the Company is not a party, 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 standalone turnover, as per the last audited financial statements of such subsidiary.

Provided that prior approval of the audit committee of the Company shall not be

required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of Listing Regulations are applicable to such listed subsidiary.

The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.

Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.

The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.

- **Approval of Board and Shareholders:**

- a. All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company.

Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such transaction.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed under Section 188 of the Act reads with Companies (Meetings of Board and its Powers) Rules, 2014 shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and 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.

Further, the information as prescribed under the Companies Act, 2013 and/or the Listing Regulations, from time to time shall be provided in the Notice to the shareholders for

consideration of RPTs.

- b. All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through 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.

Provided that prior approval of the shareholders of a Company shall not be required for Related Party Transactions where listed subsidiary is a party but the Company is not a party, if regulation 23 and regulation 15(2) of Listing Regulations are applicable to such listed subsidiary.

Provided that the requirements specified under this sub-regulation shall not apply 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. Provided that the Material Related Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

Provided that the provisions pertaining to –

- Prior approval of the Audit Committee for all RPTs;
- Omnibus Approval for RPTs; and
- Prior Approval of shareholders for Material Related Party Transactions and subsequent Material Modifications Shall not be applicable when the transaction are 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.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

DISCLOSURES:

- 1) Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.
- 2) Material RPTs shall be provided in the notice to shareholders.
- 3) Details of all material transactions with related parties shall be disclosed quarterly along

with the compliance report on corporate governance.

4) The Company shall submit enhanced disclosure of information related to RPTs to be provided to the stock exchanges every six months in the format specified by the SEBI with the following timelines:

- i. within 15 days from the date of publication of financials;
- ii. simultaneously with the financial w.e.f. April 1, 2023. and also publish the same on its website.

5) The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report. The Policy will be communicated to all operational employees and other concerned persons of the Company

POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the Regulation 23 of the Listing Regulations with the Stock Exchange.

In case of any subsequent changes in the provisions of the Companies Act, 2013, Regulation 23 of the Listing Regulations, 2015 with Stock Exchanges or any other SEBI Regulations (“Regulations”), which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee.

Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Further as per the Listing Regulations, the policy shall be reviewed by the board of directors at least once every three years and updated accordingly.