

SHREE KRISHNA INFRASTRUCTURE LIMITED

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

SHREE KRISHNA INFRASTRUCTURE LIMITED



OBJECTIVE

Shree Krishna Infrastructure Limited (the “Company” or “SKIFL”) may, in the ordinary course of business, enter into transactions with a Related Party or parties.

The Board of Directors (the “Board”) of SKIFL has adopted this Related-Party Transactions Policy (the “Policy”) to set forth the procedures under which transactions with Related Parties shall be reviewed for approval or ratification.

The Audit Committee will review and may amend this policy from time to time. This Policy also aims to comply with the provisions of the Companies Act, 2013 (the “Act”) and rules framed there under and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”). No Related-Party Transaction may be entered into by the Company, except in accordance with the provisions of this Policy.

DEFINITIONS

‘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.

“Material Related-Party Transaction” means any transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceed the threshold specified in the section under Material Related-Party Transactions.

“Material Modifications” shall mean an amendment to the terms and conditions of the transaction/contract, an extension of tenure, waiver of rights and obligations, variation in any payment rights, security interest, novation of parties, the addition of parties, the financial implication of which would have the effect, by an amount Rs.10 (Ten) Crore in a financial year

SHREE KRISHNA INFRASTRUCTURE LIMITED

or 20% (twenty per cent) whichever is higher, to the limit as approved by the Audit Committee or by an amount Rs.100 (Hundred) Crore in a financial year or 20% (twenty per cent) whichever is higher, to the limit as approved by the Members of the company as the case may be.

Notwithstanding the above, the following events shall be deemed to be material modifications:

- a) In case of a loan or deposit or any other means of funding including securities and guarantees given, any deviation in the objects or purposes for which the loan or deposit was given or funding was made or received or securities and guarantees given;
- b) In case of any other transaction or agreement, any amendment which will have the effect of:
 - (i) renewing or extending the term of the transaction or agreement for a period exceeding three years, except for completion of any surviving obligations.
 - (ii) ceasing the terms of the contract at arms' length
 - (iii) Any novation of the contract or arrangement to a third party
 - (iv) the claims of the party being subordinated

“Related Party” means Party as defined in clause (zb) of sub-regulation of the regulation 2 of the SEBI LODR Regulations.

“Related-Party Transaction”, means transaction as defined in clause (zc) of sub-regulation of the regulation 2 of the SEBI LODR Regulations.

“Relative” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

Any other terms and expressions used but not defined herein, shall have the same meaning as defined in the Act, SEBI LODR Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder.

REVIEW AND APPROVAL OF RELATED-PARTY TRANSACTION

1. All Related Party Transaction and subsequent Material Modification shall be subject to the prior approval of the Audit Committee of the Company whether at a meeting or by a resolution by circulation or by any other manner as provided by the Act or the rules and regulations made there under.

Provided that only those Members of the Audit Committee, who are Independent Director shall approve Related Party Transactions.

Provided further that the transactions / agreements contracts as mentioned below shall not require approval of Members of the Company:

SHREE KRISHNA INFRASTRUCTURE LIMITED

- a) Transaction 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) Transaction between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the annual general meeting for approval;
- 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,

2. The Audit Committee of the Board will review and, if appropriate, approve Related-Party Transactions. Accordingly, at the first meeting of the Audit Committee in every calendar year, management shall present to the committee the information as set out in this policy with respect to all Related Party Transactions expected to be entered into during the forthcoming financial year. :

After reviewing such information and being satisfied that there is a need for such Omnibus approval, the members of the Audit Committee (without the participation of the Committee member(s) interested in the transaction, if any) shall approve or disapprove such transactions.

Omnibus approval of such transactions shall be given only if it is determined by the Committee that such transactions are:

- a. repetitive in nature and that such approval is in (or not inconsistent with) the best interests of the Company and its shareholders;
- b. to be entered into by the Company on terms that are comparable to those that would be obtained in arm's length transactions with unrelated third parties; and
- c. In the ordinary course of the business of the Company. (Ordinary course of business for this purpose will cover the businesses of SKIFL, its subsidiaries, if any and usual transactions, customs and practices of a business and would include activities to be carried out incidental to or to facilitate the business of SKIFL, its subsidiaries, if any and is usual or customary to the Company and/ or its line of business).

Such omnibus approval shall specify:

- (i) the name/s of the related party,
- (ii) nature of transaction, period of transaction, maximum amount of transaction that can be entered into, and
- (iii) the indicative base price / current contracted price and the formula for variation in the price if any

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall

SHREE KRISHNA INFRASTRUCTURE LIMITED

require fresh approvals after the expiry of one financial year.

3. No member of the Audit Committee shall participate in the review, consideration or approval of any Related-Party Transaction with respect to which such member or any of his or her relatives is a Related Party.
5. If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions, management shall provide the Committee with updated information at a subsequent meeting and will get the changes approved afresh by the Committee.
6. If any additional Related-Party Transactions are proposed to be entered into subsequent to the Committee's first meeting in the financial year, management shall present such transactions to the Committee for approval before entering into such transaction (which can be taken by calling a meeting or by resolution passed through circulation).
7. All the directors are required to declare and disclose their concerns or interests in any company or companies or bodies corporate at the first Board meeting in every financial year and subsequently whenever there is any change therein.
8. Omnibus approval shall not be made for the transactions in respect of selling or disposing of the undertaking of the Company.
9. Related Party Transaction to which the subsidiary of a 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 listed entity and with effect from April 1, 2023 exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary
10. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis
11. Any Material Modification to the Related Party Transaction by the Company or its subsidiary shall require prior approval of the Audit Committee of the Company
13. Any Material Modification to the Material Related Party Transaction by the Company or its subsidiary shall require prior approval of the Members of the Company.

INFORMATION TO BE REVIEWED BY THE AUDIT COMMITTEE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

The Company shall provide the following information, for review of the audit committee for approval of a proposed RPT other than the transactions for omnibus approval

SHREE KRISHNA INFRASTRUCTURE LIMITED

1. Type, material terms and particulars of the proposed transaction;
2. Name of the related party and its relationship with the listed entity or its subsidiary if any, including nature of its concern or interest (financial or otherwise);
3. Tenure of the proposed transaction (particular tenure shall be specified);
4. Value of the proposed transaction;
5. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary if any, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
6. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary if any:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
7. Justification as to why the RPT is in the interest of the listed entity
8. A copy of the valuation or other external party report, if any such report has been relied upon;
9. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
10. Any other information that may be relevant

SHREE KRISHNA INFRASTRUCTURE LIMITED

APPROVAL OF THE BOARD AND THE SHAREHOLDERS

The Audit Committee shall report all “Material Related-Party Transactions & subsequent Material Modifications” to the Board of Directors. Unless exempted, the Company shall seek prior approval of shareholders for “Material Related-Party Transactions and subsequent Material Modifications” in the General Meeting of the year in which the Related-Party Transaction is undertaken or by postal ballot process. The resolution shall be an ordinary resolution and all the related parties (if any) will abstain from voting on such resolution irrespective of whether the concerned entity is a party to the particular transaction or not.

Material Related Party Transactions will be determined as per the following rules:

SR	Category of Transactions	Material Related-Party Transactions - Companies Act 2013 (not in ordinary course of business and not on an arm's length basis)	Material Related-Party Transactions and subsequent Material Modifications – SEBI LODR Regulations
1	Sale, purchase or supply of any goods or materials	10% or more of turnover	Exceeds rupees one thousand crore or 10% of annual consolidated turnover as per last audited financial statements, whichever is lower
2	Selling or otherwise disposing of, or buying, property of any kind;	10% or more of net worth	
3	Leasing of property of any kind;	10% or more of turnover	
4	Availing or rendering of any services;	10% or more of turnover	
5	Such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company	At a monthly remuneration exceeding Rs 2.5 lakh	
6	Underwriting the subscription of any securities or derivatives thereof, of the company	1% of net worth	

Explanation- The turnover or net worth referred to in the above shall be computed on the basis of the audited financial statement of the preceding financial year.

Explanation- It is hereby clarified that the limits specified in point (1) to (4) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

SHREE KRISHNA INFRASTRUCTURE LIMITED

INFORMATION TO BE PROVIDED TO SHAREHOLDERS FOR CONSIDERATION OF RELATED PARTY TRANSACTIONS

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013 and SEBI LODR Regulations, include the following information as a part of the explanatory statement:

1. A summary of the information provided by the Company to the audit committee as specified under information to be reviewed by the Audit Committee for approval of RPTs
2. Justification for why the proposed transaction is in the interest of the listed entity;
3. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under point 6 of the information to be reviewed by the Audit Committee for approval of RPTs
4. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction shall be made available through the registered email address of the shareholders;
5. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
6. Any other information that may be relevant.

DISCLOSURE

Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report. This Policy shall also be uploaded on the website of SKIFL and a web link thereto shall be provided in the Annual Report of SKIFL.

POLICY REVIEW

This Policy is framed based on the provisions of the Companies Act, 2013, and rules there under and the requirements of SEBI LODR Regulations.

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy.

The Board may, basis the recommendations from the Audit Committee, make any amendments to the Policy from time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. A note in relation to such changes shall be placed in subsequent meeting of the Board and Audit Committee.
