

SHELTER INFRA PROJECTS LIMITED
CIN: L45203WB1972PLC028349

POLICY ON RELATED PARTY
TRANSACTIONS

Related Party Transaction Policy

INTRODUCTION

Shelter Infra Projects Limited (the “Company”) has formulated this Related Party Transaction policy (this “Policy”) in pursuance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 as amended (“**LODR Regulations**”) and other applicable provisions (including any statutory enactments/ amendments thereof).

OBJECTIVES

The provisions of Section 177 and 188 of the Companies Act, 2013 (“Companies Act”), as amended from time to time, the rules and schedules framed thereunder, and Regulation 23 of the SEBI Listing Regulations, require companies to have transparency and due process for approval of related party transactions. Accordingly, the Company has framed this Policy on Related Party Transactions (“Policy”) with the intent to ensure the compliance with applicable laws and Regulations, proper approval and reporting requirements of related party transactions.

The Audit Committee of the Company has approved this Policy to set forth the procedures under which transactions between the Company and Related Parties shall be identified and reviewed for approval or ratification in accordance with the procedures set forth below and as prescribed under LODR Regulations and the Companies Act 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof) (the “Act”).

No Related Party transaction may be entered into or no existing Related Party transaction shall be modified or renewed by the Company, except in accordance with the provisions of this Policy.

DEFINITIONS

“**Audit Committee**” or “**Committee**” means the audit committee of the Board of Directors of the Company constituted in accordance with the requirements prescribed under the Act and LODR Regulations.

“**Key Managerial Personnel**” shall have the meaning prescribed to it under the Act.

“**Material Related Party Transaction**” means a 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 one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower

Notwithstanding the above, 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 five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“Related Party”: - an entity shall be considered related to the Company if

such entity is a related party under Section 2(76) of the Act ; or any other applicable standards

- (a) Any person or entity forming a part of the promoter or promoter group of the listed entity
- (b) Any person of such entity, holding equity shares of 10% or more

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 related party.

“Related Party Transaction” means any transaction involving transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged.

“Relative” shall have the meaning prescribed to it under the Act.

In the event of any inconsistency or conflict between a term as defined in this Policy and as prescribed under LODR Regulations, the Act or AS-24 (as applicable), the definition under such relevant regulatory framework would prevail.

Related Party Transaction Policy

RELATED PARTIES

The Related Parties of the Company would have to be identified and ascertained in light of the aforementioned definition of Related Party.

Each director, manager and key managerial personnel of the Company shall disclose to the Company, a list of all persons, companies, firms, body corporates and other entities (together with their interest/holding thereunder) who/which would be categorized as a Related Party to the Company. The list shall be submitted to the Company (i) at the time of appointment of such person to office; and (ii) at the first meeting of the Board held in every financial year, subject to immediately intimating the Company of any modification/variation to the list so provided.

The obligations of the directors and key managerial personnel of the Company to disclose their interest as required under the Act are in addition and not in substitution of the aforementioned obligations. In addition, the directors have to give an undertaking that all business transactions entered into between company and themselves comply with the terms of this Policy.

Similarly, the disclosure obligations of the directors and key managerial personnel hereunder would not supersede or prevail over the right and obligation of the Audit Committee and the Board to evaluate and determine whether a party is a Related Party, whose decision shall be final.

A company shall enter into any contract or arrangement with a related party subject to the following conditions, namely:-

- (1) The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-
 - (a) the name of the related party and nature of relationship;
 - (b) the nature, duration of the contract and particulars of the contract or arrangement;
 - (c) the material terms of the contract or arrangement including the value, if any;
 - (d) any advance paid or received for the contract or arrangement, if any;
 - (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
 - (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Along with the explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars, namely: –

- (a) name of the related party ;

- (b) name of the director or key managerial personnel who is related, if any;
 - (c) nature of relationship;
 - (d) nature, material terms, monetary value and particulars of the contract or arrangement;
 - (e) any other information relevant or important for the members to take a decision on the proposed resolution.
- (2) Any director who has an interest in a contract or arrangement with a linked party is not allowed to attend the meeting when the resolution's topic is being discussed.
- (3) A company is prohibited from engaging in any of the transactions listed in Sub-Rule 3 of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, unless the company has previously approved the transaction or transactions by a resolution.
- (4) The Turnover or Net Worth shall be computed on the basis of the Audited Financial Statement of the preceding Financial year.
- (5) In case of a wholly owned subsidiary, resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.
- (6) Dealing with related party and the Related party transactions are as per Section 188 of the Companies Act, 2013.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

- No member of the Audit Committee shall participate in the review, consideration or approval process of any Related Party Transaction with respect to which he is interested.
- If a related party transaction, whether made alone or in combination with other transactions during a fiscal year, exceeds one thousand crore rupees or 10% of the listed entity's annual consolidated turnover as reported in the most recent audited financial statements, whichever is less, it will be deemed material.
- A payment made to a related party for brand usage or royalty will be deemed material if, when made separately or in combination with other transactions during a fiscal year, the transaction or transactions exceed 5 percent of the listed entity's annual consolidated turnover as reported in the most recent audited financial statements.
- the audit committee of a listed entity shall specify what constitutes "material modifications" and disclose it as part of the policy concerning the materiality of related party transactions and related party transaction dealings.
- If a related party transaction involving a listed entity's subsidiary but not the listed entity itself exceeds ten percent of the annual consolidated turnover as reported in the most recent audited financial statements of the listed entity, the audit committee of the listed entity must give its prior approval, whether the transaction is carried out separately or in conjunction with other transactions during a financial year
- a related party transaction involving a subsidiary of a listed entity but not the listed entity itself, shall require prior approval from the audit committee of the listed entity if the value of such transaction, whether conducted individually or together with prior transactions during a financial year, exceeds ten percent of the annual

standalone turnover according to the last audited financial statements of the subsidiary;

- prior approval from the audit committee of the listed entity is not necessary for a related party transaction where the listed subsidiary is a party but the listed entity is not, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations apply to that listed subsidiary. For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the audit committee of the listed subsidiary will be sufficient.
- All related party transactions and any subsequent significant modifications must receive prior approval from the audit committee of the listed entity's audit committee with only the audit committee members who are independent directors shall provide approval for related party transactions.
- remuneration and sitting fees given by the listed entity or its subsidiary to its director, key managerial personnel, or senior management, excluding those who are part of the promoter or promoter group, will not require the audit committee's approval provided that it is not considered material in accordance with the provisions of sub-regulation (1) of regulation 23 of SEBI LODR 2015.
- The independent directors on the audit committee 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 occurs first, subject to the following conditions:
 - (i) the total value of ratified transaction(s) with a related party, whether conducted individually or collectively, during a financial year must not exceed one crore rupees;
 - (ii) the transaction is not deemed material according to the provisions of sub-regulation (1) of regulation 23 ;
 - (iii) the reasons for the inability to seek prior approval for the transaction must be presented to the audit committee when requesting ratification;
 - (iv) The specifics of ratification must be revealed together with the disclosures of related party transactions as required by sub-regulation (9) of regulation 23;
 - (v) any additional condition as determined by the audit committee:

However, neglecting to obtain ratification from the audit committee will make the transaction voidable at the discretion of the audit committee, and if the transaction involves a related party of any director, or is approved by another director, the relevant director(s) shall compensate the listed entity for any losses it suffers.

OMNIBUS APPROVAL BY AUDIT COMMITTEE

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions, namely-

(a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(c) the omnibus approval shall specify:

(i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

(ii) the indicative base price / current contracted price and the formula for variation in the price if any; and

(iii) such other conditions as the audit committee may deem fit:

The audit committee may grant omnibus permission for related party transactions if the need for them cannot be anticipated and the aforementioned details are unavailable. However, the value of each transaction must not exceed one crore rupees.

(d) The specifics of related party transactions that the listed business or its subsidiary enters into in accordance with each of the granted omnibus approvals must be reviewed by the audit committee at least once per quarter.

(e) These omnibus approvals will only be valid for a maximum of one year, after which they will need to be renewed:

Regardless of whether the entity is a related party to the specific transaction or not, all related party transactions and any subsequent material modifications as determined by the audit committee must first receive shareholder approval through resolution. Related parties will not vote to approve such resolutions.

However, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations apply to a listed subsidiary, then prior shareholder approval of the listed entity will not be necessary for a related party transaction in which the listed subsidiary is a party but the listed entity is not. The transactions upon which the sub regulations are not applicable shall be complied as per the provisions mentioned in the regulation 23. The listed entity shall make such disclosures every six months on the date of publication of its standalone financial results.

CRITERIA FOR GRANTING THE OMNIBUS APPROVAL

1. Subject to the omnibus approval process referred to under Regulation 23 of LODR Regulations and hereunder, all Related Party Transactions shall require the prior approval of the Audit Committee.
2. Accordingly,
 - a. The Audit Committee shall meet to consider the Related Party Transactions of for the financial year in the beginning of the financial year; and
 - b. During the financial year, if any Related Party Transaction is proposed to be entered, the Audit Committee shall consider the approval of the said Related Party Transaction at the relevant time.
3. The management shall present to the Audit Committee the necessary information with respect to each Related Party as specified. After reviewing such information and after seeking such other information, documentation and clarifications that the Committee may require, the members of the Audit Committee (without the participation of the Audit Committee member(s) interested in the transaction, if any) may approve or disapprove such transaction(s), subject to such monetary or other limitations and conditions as the Committee may deem fit. The Committee may convene, adjourn, re-convene and hold afresh such number of meetings as it may require in this regard.
4. Approval of Related Party Transactions shall be given only if it is determined by the Audit Committee that such transactions are:
 - a. in (or not inconsistent with) the best interests of the Company and its shareholders; and
 - b. on terms that are fair and comparable to those that would be obtained in arm's length transactions with unrelated third parties.
 - c. within the threshold limits/ criteria approved by the Board of Directors.

The Committee shall have due regard to (i) the business and commercial rationale for the transaction; (ii) alternate options available with the Company; and (iii) the nature and extent of any interest, including any actual or potential conflict of interest of the management, Board members, key managerial personnel and shareholders.

The Audit Committee would grant omnibus approval only if it is satisfied of the need of such approval and that it meets the criteria set out for approval of Related Party Transactions.

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant standing pre-approval / omnibus approval. While granting the approval, the Audit Committee shall satisfy itself of the need for the omnibus approval and that the same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name of the related party.
- b. Nature of the transaction.
- c. Period of the transaction.
- d. Maximum amount of the transactions that can be entered into.
- e. Indicative base price / current contracted price and formula for variation in price, if any.
- f. Such other conditions as the Audit Committee may deem fit.

Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction shall be effective from 1st July 2025 as per the Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/37 dated 25th March, 2025.

INTERPRETATION

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities including SEBI, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provision and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule or regulation governing the Company, the law, rule, or regulation will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule or regulation.