

SHRI RATHI STEEL (DAKSHIN) LTD.

CIN-U74899DL1992PLC050960

Corporate Office : A-29, Sector-65, Noida-201301
Tel.: 0120-4744644
E-mail : career@shrirathigroup.com
Works : SP-A-1, RIICO Industrial Area, Khushkhera,
Bhiwadi, Distt-Alwar (Rajasthan)-301 017
Ph.: 01493-250537, 513560-3
Fax : 01493-250536
E-mail : accounts-dakshin@shrirathigroup.com

SHRI RATHI STEEL (DAKSHIN) LIMITED POLICY ON RELATED PARTY TRANSACTIONS

Shri Rathi Steel (Dakshin) Limited ("The Company") is presently engaged in the business to set up steel furnaces and continuous casting and rolling mill/plant for producing steel and alloy steel ingots, steel and alloy steels billets and all kinds and sizes of re-rolled sections, i.e. flats, angles, rounds, squares, hexagons, octagons, rails, joints, channels, steel strip, sheets, plates, deformed bars, plain and cold twisted bars, bright bars, shafting and steels structural and other allied activities.

OBJECTIVE OF THE POLICY

The Policy sets out the manner of dealing with the transactions between the Company and its related parties in compliance with the applicable laws and regulations as may be amended from time to time and to fix the materiality thresholds for related party transactions. The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of related party transactions in the best interests of the Company and its shareholders.

DEFINITIONS:

1. "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 interests.
2. "Associate" means a company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements".
3. "Audit Committee" means the Committee of the Board constituted under Section 177 of the Companies Act, 2013.
4. "Board" means the Board of Directors as defined under the Companies Act, 2013.
5. "Employees" shall mean employees and office-bearers of the Company, including but not limited to Directors. The terms "Director, Company Secretary, Chief Financial Officer", shall have the same meaning as defined under the Companies Act, 2013.

6. **"Key Managerial Personnel"** shall mean Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013.

7. **"Office or Place of Profit"** means any office or place:

i. where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise; ii. where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

8. **"Ordinary course of business"** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as enunciated in the Memorandum and the Articles of Association and also includes:

(i) Sitting fee paid to independent directors

(ii) sale, purchase and other transactions on Arm Length basis with Shri Rathi Steel Limited(company under same management)

(iii) Transactions on arm length basis with other entities having control of same management as of the company

(iv) Directors consultancy service for the business of the company

(v) Such other transactions as the Audit Committee/Board may decide from time to time.

9. **"Related Party"** means a related party as defined under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.

APPROVAL OF RELATED PARTY TRANSACTION

(I) As per section 188 of the Companies Act, 2013 except with consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into 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.

Transactions that, require previous approval of Shareholders of the Company, as prescribed under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions/ contracts/ arrangements as follows :

- a) Sale, purchase or supply of any goods or materials directly or through appointment of agents Exceeding 10% of Turnover of Company or Rupees 100 crore whichever is lower Selling or otherwise
- b) disposing of, or buying, property of any kind directly or through appointment of agents Exceeding 10% of networth or Rupees 100 crore whichever is lower
- c) Leasing of property of any kind Exceeding 10% of the Net worth of company or 10% of Turnover of company of Rs. 100 crore, whichever is lower.
- d) Availing or rendering of any services directly or through appointment of agents Exceeding 10% of Turnover of Company or Rupees 50 crore whichever is lower
- e) Appointment of any office or place of profit in the company, its subsidiary company or associate company on Monthly remuneration exceeding Rs. 2.5 lakhs Remuneration for
- f) underwriting the subscription of any securities or derivative Exceeding 1% of net worth

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transaction which are not on arm's length basis. However it is advisable to take approvals with the concerned authority(Directors or members) even when the transactions are ordinary in nature.

RATIFICATION

Any Related Party Transaction entered into without obtaining the prior approval of the Audit/ Board/ Shareholders(respective authority/ies) may be ratified, subject to the applicable provisions of the Companies Act, 2013 if post review of the said transaction / contract, the appropriate authority is satisfied, that the said Related Party Transaction is not detrimental to the interest of the Company, however, the appropriate authority may also ratify such transaction or contracts, with or without the modification(s).

If the appropriate authority decides, not to approve a particular transaction, it may require the Related Party to reimburse the benefits which might have accrued to it and/ or indemnify the Company with regard to the subject Related Party Transaction which is not approved by the appropriate authority. However the Related Party transaction which are entered into without the approval of the appropriate authority and subsequently not ratified by the appropriate authority, the applicable provisions of the Companies Act, 2013 shall apply.

SHRI RATHI STEEL DAKSHIN LTD.



DIRECTOR