

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 line with Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements),2015 as amended (“**LODR Regulations**”).

OBJECTIVES

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 ascribed to it under the Act.

“**Material Related Party Transaction**” means any transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the Company as per its last audited financial statements.

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, exceeds two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

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

- (i) such entity is a related party under Section 2(76) of the Act ; or
- (ii) such entity is a related party under the applicable accounting standards and Listing Regulations.

“**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.

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Explanation—A “transaction” with a related party shall be construed to include single transaction or group of transactions in a contract.

“**Relative**” shall have the meaning ascribed 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.

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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.

Further, based on the group structure of Bosch, and investments made by or in entity, the Audit Committee and the Board should determine whether any entity would be a Related Party.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

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. Prior to the commencement of each financial year, the Audit Committee shall meet to consider the Related Party Transactions of for 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 following information with respect to each Related Party:
 - a. The name of the Related Party and the basis on which such person or entity is a Related Party (nature of relationship);
 - b. Nature, duration and particulars of the contract/transaction thereof;

- c. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or other terms of the contract or arrangement including a justification for the proposed variations;
- d. Valuation reports in case of sale or purchase or leasing / renting of capital assets such as building, if any and if required by the Committee;
- e. Justification as to the arm's length nature of the proposed transaction; and

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.

5. 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.

6. 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.

OMNIBUS APPROVAL BY AUDIT COMMITTEE

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.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction. The thresholds and limitations set forth by the Committee would have to be strictly complied with, and any variation thereto including to the price, value or material terms of the contract or arrangement shall require the prior approval of the Audit Committee.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details (as aforementioned) are not available, the Audit Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification.

Further, the Audit Committee shall, on a quarterly basis, review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

APPROVAL OF THE BOARD AND THE SHAREHOLDERS

The Company shall ensure strict compliance with its obligations under the Act in relation to related party transactions, as defined thereunder, including:

- a. Procuring the prior approval of the Committee. The process set forth hereinabove in relation to approval by the Committee shall *mutatis mutandis* apply to such approval under the Act;
- b. Consent of the Board by a resolution at a board meeting, with interested directors recusing themselves;

On the transaction being approved by the Audit Committee, the matter shall be placed before the Board for its approval, if any required. In granting such approval, the Board shall have due regard to the factors set forth.

Consent of the shareholders by way of an ordinary resolution if the transaction exceeds the thresholds prescribed under the 2013 Act; and

Whether exception for transactions entered in the ordinary course of business and on an arm's length basis can be invoked shall be established by placing reliance upon (i) a valuation report obtained from a valuer; and (ii) an independent opinion from a legal counsel.

- d. Complying with the disclosure requirements in the agenda for the board meeting and the explanatory statement for the general meeting.

Under Regulation 23 of LODR Regulations, all Material Related Party Transactions shall require approval of the shareholders. The resolution will be an ordinary resolution and no entities falling under the definition of Related Parties shall vote to approve, irrespective of whether the entity is a party to the particular transaction or not. However, for the purpose of Regulation 23 of LODR Regulations, transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, does not require shareholder approval.

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The Company (including the management) shall ensure strict compliance with all its disclosure obligations in relation to related party transactions as required under the Act, the Listing Agreement and AS-24.

This Policy will also be uploaded on the website.

POLICY REVIEW

The requirements, conditionalities, thresholds and compliance obligations under the Act and LODR Regulations are independent and separate, and each of these requirements would have to be independently evaluated, determined and fulfilled, and the Audit Committee, the Board and the Company shall have due regard to the same.

This Policy is framed based on the provisions of the Act and Regulation 23 of LODR Regulations.

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or other regulations, such provisions of the Act or other regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

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