SHREE PRECOATED STEELS LTD.
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RELATED PARTY TRANSACTION POLICY

{Pursuant to Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

SHREE PRECOATED STEELS LIMITED

Regd. Office: - 1, Ground Floor, Citi Mall, New Link Road, Andheri (West), Mumbai-400053

1. Introduction

The Board of Directors (the "Board") of SHREE PRECOATED STEELS LIMITED ("SPSL") (the "Company"), understands the importance of stakeholders' confidence and trust in the Company. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Regulation 23(1) of the Listing Regulations requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions. Further, Regulation 23(2) requires the Audit Committee to define material modification and disclose it as a part of the policy.

In light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). Any amendment in the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee and the Board. The Audit Committee / Board will give suitable directions / guidelines to implement the same.

This Policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations, as amended from time to time.

2. Purpose:

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions, (b) define material modification and (c) the manner of dealing with and disclosing the transactions between the Company and its related parties as required under the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. Definitions:

In this Policy, unless the context otherwise requires:

a. **"Act"** means the Companies Act 2013 and Rules thereunder as amended or modified from time to time.

b. **"Audit Committee or Committee"** means Committee of Board of Directors of SPSL constituted under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

c. **"Applicable Law(s)"** includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.

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d. "**SPSL**" refers to the Company- Shree Precoated Steels Limited.

e. **"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.

f. **"Board"** means Board of Directors of SPSL.

g. **"Key Managerial Personnel"** means Key Managerial Personnel as defined under Section 2(51) of the Act.

h. **"Material Related Party Transaction"** shall have the same meaning as defined in Regulation 23 of the Listing Regulations, as amended from time to time.

i. **"Material Modification"** mean and include any modification to an existing related party transaction having variance of atleast 20% of the existing value / consideration and/or modification that would alter the nature of such contract / transaction / arrangement or result in significant change in rights and obligations of the parties to the transaction, as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

j. **"Policy"** means Related Party Transaction Policy as originally framed or as altered from time to time.

k. **"Related Party"** means a related party as defined under Section 2(76) of the Act and Regulation 2(1) (zb) of the Listing Regulations, as amended from time to time.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term "Related Party".

l. **"Relative"** means relative as defined under Regulation 2(1) (zd) Section 2(77) of Companies Act, 2013 and rules made there under, as amended from time to time.

m. "**Related Party Transaction**" means a transaction as defined under Section 188 of the Act and rules made thereunder and Regulation 2(1) (zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Act and rules made thereunder, Listing Regulations, the applicable accounting standards or any other applicable laws and regulations.

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4. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

a. Every Director and Key Managerial Personnel will be responsible for providing declaration as per format prescribed in form MBP-1 - Notice of interest pursuant to Section 184 of the Act read with Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 containing the following information to the Company on an annual basis:

1. Names of his / her relatives;
2. Partnership firms in which he / she or his / her relative is a partner;
3. Private Companies in which he / she is a member or director;
4. Public Companies in which he / she is a director and holds along with his / her relatives more than 2% of its paid-up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions given in professional capacity); and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

b. Every Director and Key Managerial Personnel shall also be responsible to update any change(s) in the above information to the Company immediately becoming aware of such changes.

c. Every Director, Key Managerial Personnel, Functional / Business heads / Chief Financial Officer will be responsible for providing prior notice to the Company Secretary of any potential related party transaction. They will also be responsible for providing additional information about such transaction that the Board / Committee may require, for being placed before them. Based on this notice, the Company Secretary will take up the potential related party transaction for necessary approvals as required under this Policy.

d. The suggested details and list of records and supporting documents which are required to be placed before the Meeting of the Audit Committee, Board and Shareholders considering the proposed related party transaction are provided in Annexure 1 to this Policy.

e. Details as required by SEBI vide SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated 26th June, 2025 titled "Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" as may be revised, amended or modified by SEBI from time to time, will also be provide to the Audit Committee and Shareholders, if required and applicable.

f. The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal / transfer pricing expert and the opinion of such external legal / transfer pricing expert shall be brought to the notice of the Committee / Board.

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5. APPROVAL OF THE AUDIT COMMITTEE

(i) Prior Approval

- All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee.

- Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

- Subject to the statutory provisions for the time being in force, in case of urgency or in exceptional circumstances where convening of meeting of the Audit Committee may not be practically possible, the approval of the Audit Committee may be taken by passing resolution through circulation in the manner as provided under Section 175 of the Act. Any resolution passed through circulation shall be noted by the Audit Committee in its subsequent meeting.

- In case prior approval of the Audit Committee is not taken for a related party transaction, it may consider ratification of such transaction including termination, revision or postponement of such transaction based on facts and circumstances of the matter, and the members of the Audit Committee, who are independent directors, within three months from the date of such transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, may consider the ratification, subject to the following conditions:
  i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
  ii. the transaction is not material in terms of the provisions of sub-regulation (1) of this regulations;
  iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
  v. any other condition as specified by the audit committee:

  Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- No prior approval of Audit Committee and shareholders is required to be obtained by the Company, if the RPT is proposed to be entered into:

  i. Between two public sector companies.

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ii. Between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
iii. Between two wholly owned subsidiaries whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
iv. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
v. Transactions entered into between a public sector company on one hand and Central Government or any State Government or any combination thereof on the other hand.

(ii) Omnibus Approval

Omnibus approval may be obtained from the Audit Committee for certain transactions subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the Listing Regulations including the following:

- The Audit Committee shall lay down the criteria / Policy and Guidelines 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;

- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

- The omnibus approval shall specify:

  (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transactions that can 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.

- Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction;

- All such related party transactions made by the Company shall be reviewed by the Audit Committee at least on a quarterly basis.

- The omnibus approval shall be valid for a period of one year.

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6. **APPROVAL OF THE BOARD OF DIRECTORS:**

(i) All related party transactions falling under the provisions of Section 188 of the Act and rules made thereunder and Regulation 23 of the Listing Regulations or subsequent material modifications thereto shall be approved by the Board.

(ii) Approval of the Board shall also be taken for such transactions to be entered into by the Company, which are not in its ordinary course of business or are not on arm's length basis.

(iii) The Board may also consider other related party transaction(s) not falling under said Section.

(iv) Subject to the statutory provisions for the time being in force, in case of urgency or in exceptional circumstances where convening of meeting of the Board may not be practically possible, the approval of the Board may be taken by passing resolution through circulation in the manner as provided under Section 175 of the Act. Any resolution passed through circulation shall be noted by the Board in its subsequent meeting.

7. **APPROVAL OF THE SHAREHOLDERS:**

(i) Unless exempted, all Material Related Party Transactions and subsequent Material Modifications thereto, whether in ordinary course of business and/or on arm's length basis or not, shall require prior approval of the shareholders by passing 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.

(ii) In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation then it shall be ratified by the Audit Committee/Board or, as the case may be, by the Shareholders at a meeting within three months from the date on which such Transaction was entered into.

(iii) Approval of the shareholders of the Company shall also be taken for such related party transactions to be entered into by the Company, which are not in its ordinary course of business or are not on an arm's length basis and the value of which exceeds the limit as mentioned under Regulation 23 or Section 188(1) of the Act read with rules made thereunder, as applicable.

(iv) While seeking shareholders' approval as aforesaid, all relevant information / details as may be required from time to time, shall be provided in the Explanatory Statement to be given pursuant to the provisions of Section 102 of the Act.

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8. TRANSACTION(S) WHICH DO NOT REQUIRE APPROVAL

Notwithstanding the foregoing, the following related party transaction(s) shall not require approval of the Audit Committee / Board / Shareholders:

i. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
ii. Remuneration and sitting fees paid by the Company to its Directors, Key Managerial Personnel or Senior Management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of Listing Regulations.
iii. Any transaction in which the Related Party's interest arises solely from ownership of securities / stake issued by the Company or its subsidiaries and all holders of such securities receive the same benefits pro rata as the Related Party.

9. DISCLOSURE AND REPORTING:

SPSL shall submit disclosures of Related Party Transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges, every six months on the date of publication of its standalone and consolidated financial results and publish the same on its website.

The remuneration and sitting fees paid by the Company to its Directors, Key Managerial Personnel or Senior Management, except who is part of promoter or promoter group, shall not require disclosure under sub-regulation 9 of Regulation 23 of the Listing Regulations provided that the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of the Listing Regulations.

Appropriate disclosures are to be made in the Annual Return, Board's Report and to the Stock Exchanges as required under the Act and the Listing Regulations.

10. POLICY REVIEW

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.

This Policy shall be reviewed by the Board at least once in every three years and be updated accordingly, if required.

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11. OVERRIDE

In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other statutory enactments, rules, the provisions of such Act or the Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

12. DISSEMINATION OF POLICY

This Policy shall be provided to all functional and operational employees and other concerned persons of the Company and shall be hosted on website of the Company and web link thereto shall also be provided in the Annual Report of the Company.

This revised policy is approved and adopted by the Board in its meeting held on 4th February, 2025



ANNEXURE 1

Information / details to be provided to the Audit committee / Board in relation to proposed related party transaction(s) (to the extent relevant to the transaction):

1. Name of the Related Party
2. Nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
3. Nature / type of the contract/arrangement/agreement or transaction
4. Material terms and duration of the contract/arrangement/agreement / transaction (particular tenure shall be specified);
5. Value of the contract/arrangement/agreement / transaction;
6. In case of existing or approved contract/arrangement/agreement/transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract/arrangement/agreement/transaction including justification to the proposed variation(s).
7. Advance paid / received or to be paid / received for the contract / arrangement / agreement / transaction if any;
8. Manner of determining the pricing and other commercial terms, whether or not included as part of contract/arrangement/agreement;
9. Whether all factors relevant to the contract/arrangement/agreement /transaction have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
10. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed contract / arrangement / agreement / transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
11. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
    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,
        a) nature of indebtedness;
        b) cost of funds; and
        c) 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 Related Party Transaction.
12. Justification as to why the related party transaction is in the interest of the Company;
13. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction on a voluntary basis;

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14. Copy of the draft MOU, contract/arrangement/agreement, purchase order or correspondence etc. if any;
15. Applicable statutory provisions, if any;
16. Copy of Valuation report or any other external party / expert report, if any;
17. Justification as to the arm's length nature of the proposed transaction. While considering the arm's length nature of the transaction, the Committee / Board shall take into account the facts and circumstances as may be prevailing at the time of entering into the transaction with the related party;
18. Declaration whether the transaction is in the ordinary course of business;
19. Such other details as may be prescribed under Companies Act, 2013 and Listing Regulations, from time to time; and
20. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.
21. Details as required by SEBI vide SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated 26th June, 2025 titled "Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" as may be revised, amended or modified by SEBI from time to time.

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