

## POLICY ON RELATED PARTY TRANSACTIONS

### SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

#### **1. Scope**

This policy on Related Party Transactions (hereinafter referred to as “RPT Policy” or “Policy”) of Shri Gang Industries and Allied Products Limited (“the Company”) is framed considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI LODR”). The Company has formulated the RPT policy and guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI LODR requires a Company to formulate a policy on materiality of related party transactions (“RPT’s”) and dealing with related party transactions. Regulation 23(2) of the SEBI LODR also requires defining material modifications of RPTs and disclose it as part of the RPT policy.

This Policy intends to ensure that adequate disclosures, approvals and reporting processes are in place for all transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

#### **2. Objective of the Policy**

The Objective of the Policy is to set out

- (a) the materiality thresholds for RPTs; and
- (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, SEBI LODR and any other statute as may be applicable to the Company.

#### **3. Definitions**

**The following terms used herein shall have the meaning specified:**

- i. **“Act”** means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force.
- ii. **“Applicable Law”** includes (a) the Act and the Rules framed thereunder, (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.
- iii. **“Audit Committee or Committee”** means Committee of the Board of Directors of the Company constituted from time to time under the provisions of the Act and the SEBI LODR.
- iv. **“Board of Director” or “Board”** means the Board of Directors of Shri Gang Industries and Allied Products Limited, as constituted from time to time.
- v. **“Company”** means Shri Gang Industries and Allied Products Limited.

- vi. **“Policy”** means the current Policy on Related Party Transactions, including amendments, if any, from time to time;
- vii. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- viii. **“Key Managerial Personnel”** means Key Managerial Personnel of the Company in terms of the Act.
- ix. **“Listing Regulations” or “SEBI LODR”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- x. **“Arm’s Length Transactions”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm’s Length basis, guidance may be taken from the transfer pricing provisions under the Income-Tax Act, 1961.
- xi. **“Related party”** have the meaning as defined in Section 2(76) of the Act or under the applicable accounting standards and Regulation 2(1) (zb) of the Listing Regulations;
- xii. **“Related party Transactions”** shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1) (zc) of the SEBI LODR, including any amendment or modification thereof, as may be applicable;
- xiii. **“Relative”** means a relative as defined under the Act and Regulation 2(1) (zd) of the Listing Regulations, including any amendment or modification thereof, as may be applicable;
- xiv. **“Material Modification(s)”** means and include any modification on such transactions which were approved during the year and will change the complete nature of the transaction and in monetary thresholds, which is having variance of 25% in value of the transaction with the originally approved transaction or any other modification as may be decided by the Audit Committee;
- xv. **“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 per its Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines;
- xvi. **“Material Related Party Transactions”** means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds the following:

<b>Consolidated Turnover of Listed Entity Threshold</b>	<b>Threshold for Materiality</b>
If turnover is up to ₹ 20,000 crore	10% of turnover*
If turnover is between ₹ 20,001 - ₹ 40,000 crore	Threshold is ₹ 2,000 crore + 5% of turnover* above ₹ 20,000 crore

If turnover is more than ₹ 40,000 crore	Threshold is ₹3,000 Crore + 2.5% of turnover* above ₹40,000 Crore or ₹5000 Crores, whichever is lower
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\*annual consolidated turnover of the Company shall be determined as per the last audited financial statements.

Provided that in case of any amendment to the Act or Listing Regulations, definition of Material Related Party Transactions will be deemed to be changed without any further approval of the Board.

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 Company as per the last audited financial statements.

**xvii.** “**Transaction**” with a Related Party shall be construed to include single transaction or a group of transactions in a contract;

Words and expressions used and not defined herein shall have the meaning respectively assigned to them under the Act, Listing Regulations or other applicable laws

#### **4. Framework for Related Party Transactions**

All Related Party Transactions and subsequent Material Modifications thereto must be reported to the Audit Committee and approved or referred for approval by the Audit Committee in accordance with this Policy.

#### **5. Identification of Potential Related Party Transactions**

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction(s) involving related party, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction(s) does, in fact, constitute a Related Party Transaction(s) requiring compliance with this policy.

The concerned functional / business head shall forward to the company secretary and chief financial officer, the details of any proposed Related Party Transaction with the draft terms and conditions or other related information and certifying that such transactions are at Arm's Length and in the ordinary course of business. The company secretary or the chief financial officer, upon receipt of such information, will furnish the same to Audit Committee for its approval and further action, if any.

Any proposed modification(s) in the Related Party Transactions already entered into shall be intimated to the company secretary and chief financial officer by the functional/ business head, which shall be placed before the Audit Committee for its prior approval in accordance with this Policy.

## **6. Review, Approval or Ratification of Related Party Transactions**

### **6.1 Audit Committee**

- i. All Related Party Transactions (unless exempted pursuant to SEBI LODR and the act) and subsequent material modifications shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation.
- ii. Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.
- iii. The Audit Committee may grant prior omnibus approval for Related Party Transactions entered into by the Company or its subsidiary which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of conditions contained in the Listing Regulations and the Act.
- iv. Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval/ ratification of such Related Party Transaction and subsequent Material Modification thereto and shall not be counted in determining the presence of quorum when such Transaction is considered.
- v. 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. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- vi. Such omnibus approvals shall be valid for one financial year. The Audit Committee shall, while granting such omnibus approvals, satisfy itself about the adherence to the criteria so specified by it.
- vii. To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Regulations.
- viii. While considering any Related Party Transaction and subsequent Material Modification thereto, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters
- ix. The Audit Committee shall review, on a quarterly basis, the details of all Related Party Transactions entered into by the Company or its subsidiaries pursuant to each of the omnibus approval given.

- x. In case of transactions, other than transactions referred to in Section 188 of the Act and where the Audit Committee does not approve any transaction, it shall make its recommendation to the Board.

Prior approval of the Audit Committee shall not be required for:

- i. RPTs, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.
- ii. RPTs of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the Audit Committee of the listed subsidiary is obtained.
- iii. RPT or subsequent material modifications of RPT (other than those RPT stipulated under Section 188 of the Act) entered into 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.
- iv. RPT entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

## **6.2 Related Party Transactions not previously approved**

The Company shall endeavor to seek prior approval of all Related Party Transactions. However, in the event the Company becomes aware of a Related Party Transaction that has not been approved as per provision of this Policy, members of the Audit Committee, who are independent directors, may ratify such related party transaction(s) within three months from the date of the transaction or in the immediate next Audit Committee meeting, whichever is earlier, upon fulfilling below conditions:

- i. the value of the transaction(s), whether entered into individually or taken together, during a financial year shall not exceed ₹ 1 (one) crore;
- ii. the transaction is not material related party transaction as per this Policy;
- iii. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee; and
- iv. any other condition as the Audit Committee may specify.

The details of such ratification shall be disclosed along with the half yearly disclosures of related party transactions required to be submitted to stock exchanges

## **6.3 Board of Directors**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transactions and the considerations set forth above under Paragraph 6.1 shall apply to the review and approval of the matter by the Board of Directors, with such modifications as may be necessary or appropriate under the circumstance.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related

Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

### **6.3 Shareholders**

All the Material Related Party Transactions and subsequent Material Modification thereto shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions.

All the transactions, other than the Material Related Party Transactions, with the Related Party(ies) which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through a resolution if so required under any law and the Related Party(ies) with whom transaction is to be entered into shall abstain from voting on such resolution.

No related party shall vote to approve such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

### **7. Decision regarding transaction in the ordinary course of business and at arm/s length basis**

Ordinary course of business" would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per Memorandum and Articles of Association.

The Audit Committee or the Board shall, in respect of the RPTs referred to them for approval and after considering the matter placed before them, shall judge if the transaction is the ordinary course of business and at arm's length basis. In case the Audit Committee is not able to arrive at such a decision, it may seek advice from any outside specialist(s)/ professional(s) from the relevant field in helping them to arrive at a decision.

In case there is still no consensus amongst the Audit Committee Members, the matter then shall be referred to the Board, which shall decide if the transaction is the ordinary course of business and at arm's length basis.

### **8. Disclosures**

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in the ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

In addition to the above, the Company shall also provide details of all Material Related Party Transactions to the stock exchanges as per the applicable law.

The Company shall also on half yearly basis submit disclosures of RPTs, in the format specified by SEBI from time to time, to the stock exchanges and publish the same on its website in accordance with SEBI LODR.

The Company shall disclose the Policy on its website and weblink shall be provided in the Annual Report.

### **AMENDMENTS**

In accordance with the Listing Regulations, this Policy will be reviewed by the Board of Directors at least once every three years and updated accordingly.

Any subsequent amendment/ modification in the Act, Listing Regulations and/or applicable laws in this regard shall automatically apply to this Policy.

In the event of any conflict between the provisions of this RPT Policy and applicable laws, the provisions of such applicable laws shall prevail over this Policy.

*This Policy was last amended on February 14, 2025*

*This Policy is now further amended/revised and approved by the Board on February 14, 2026.*