SHREM INFRA INVEST PRIVATE LIMITED
RELATED PARTY TRANSACTION POLICY

Approved By	Board of Directors
Effective Date	April 04, 2026
Version	2.0

RELATED PARTY TRANSACTION POLICY

Preamble

This Related Party Transaction Policy ("Policy") is framed in accordance with:

- Applicable provisions of the Companies Act, 2013 read with relevant Rules
- Accounting Standard Ind AS 24 – Related Party Disclosures
- RBI Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 (as amended)
- Other applicable laws, regulations, and guidelines

The Company, being a Core Investment Company (CIC), primarily deals with investments in group companies; hence, transactions with related parties form a significant part of its operations.

1. Objective

This policy governs all transactions between the Company and its Related Parties to ensure they are conducted at arm's length (where applicable) or with appropriate regulatory approvals to protect stakeholder interests.

2. Definitions

- **Related Party**

As per Companies Act, 2013: As per Section 2 (76) includes Directors, KMPs, their relatives, and any company where a director is a member or director etc and as per IND AS 24.

As per RBI Directions: Includes promoters, Directors, KMP and their relatives, significant shareholders (5% or more equity), and group companies (Subsidiaries, Holding, and Associates) and any connected entities in which promotors, directors, KMP and their relatives hold (10% equity or 20% Voting Rights)

- **Related Party Transaction (RPT)**

Includes any transaction between the Company and a related party, including but not limited to:

- Loans, advances, or investments
- Transfer of resources, services, or obligations
- Corporate guarantees or securities
- Any other financial or non-financial transaction

- **Wholly Owned Subsidiary (WOS) -** A company in which 100% shareholding is held by the Company.

- **Ordinary Course of Business (OCB):** Includes activities that are part of the Company's main objects as per its Memorandum of Association (MoA), are recurring in nature, and are integral to its business as a CIC, such as providing financial support/loans to group companies.

3. Identification Process of Related Parties

The Company shall maintain an updated list of related parties based on declarations obtained from Directors and KMPs.

4. **Prior Disclosure by Directors (Section 184)**

   Directors and KMPs shall disclose their interest annually and whenever there is a change.

5. **Approval Mechanism**

   - **Audit Committee Approval:**

   All RPTs and subsequent material modifications (10% of originally approved amount) require prior approval from the Audit Committee. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into pursuant to omnibus approval. Explicitly only Independent Directors on the Audit Committee shall approve RPTs.

   A related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity above the threshold.

   - **Omnibus Approval:** The Audit Committee may grant standing approval for repetitive transactions (e.g., routine inter-company loans) valid for one financial year.

   - **Board Approval:**
     a. Any transaction not at "arm's length" or not in the "ordinary course of business".
     b. Loans to related parties exceeding the Materiality Threshold of ₹5 Crore (as per RBI Middle Layer requirements)
     c. 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.

   - **Shareholder Approval**: Required for material RPTs exceeding thresholds in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, unless the transaction is with a Wholly Owned Subsidiary**.**

6. **Special Provision: Loans to Wholly Owned Subsidiary (WOS)**

   Exemption: Transactions with a WOS are exempt from the requirement of prior shareholder approval if the accounts of the WOS are consolidated with the Company.

   Interest Rates: Loans to the WOS may be interest-free if provided in the ordinary course of the CIC's business, though documented justification for the non-commercial terms should be recorded by the Board. Such transactions shall be supported by documented business rationale and recorded in the minutes of the Board meeting.

7. **Regulatory Compliance and Safeguarding of Company's Interest**

   All Related Party Transactions shall be undertaken in compliance with the applicable provisions of the RBI Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, as amended from time to time. Such transactions shall be carried out in a manner that is not prejudicial to the interest of the Company and its stakeholders. The Company shall ensure that no Related Party Transaction results in undue benefit to related parties or leads to diversion of funds in a manner inconsistent with regulatory expectations. All such transactions shall be aligned with prudent financial practices, sound governance standards, and the overall business objectives of the Company.

8. **Pricing and Arm's Length Basis:**

   All Related Party Transactions shall normally be conducted on an Arm's Length Basis, meaning the terms (price, interest rate, etc.) are comparable to those that would be offered to an unrelated third party. However, as a Core Investment Company (CIC), the Company may enter into transactions with its Wholly Owned Subsidiary (WOS)—such as providing interest-free loans or providing corporate guarantees—that may not strictly meet the 'Arm's Length' criteria. Such transactions with a WOS are permitted provided they are in the ordinary course of business, are not detrimental to the Company's interest, and are specifically approved by the Board of Directors in accordance with the exemptions provided under the Companies Act, 2013."

9. The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contract or Arrangements in which Directors are interested, maintained by the Company and all the compliance related thereto shall be done by the Company Secretary as per the provisions of the Companies Act, 2013.

10. **Potential Conflict of Interest:**

    Subject to applicable law, all resolutions of the Board in relation to Related Party Transactions shall be approved by the Board. An Interested Director shall not be present at the meeting during discussions on the RPT and shall not be counted in the quorum for that specific agenda item. Such Directors are prohibited from voting on the resolution.

11. **Ratification**

- Any RPT entered without prior approval must be ratified by the Audit Committee or Board within a period not exceeding three months.

- If not ratified, the transaction is voidable at the option of the Board, and the responsible director must indemnify the company.

12. **Disclosures and Reporting**

The Company shall ensure:

- Disclosure in financial statements as per Ind AS 24
- Reporting of RPTs to Board periodically
- Maintenance of proper documentation and registers

13. **Review of Policy**

This Policy shall be reviewed annually by the Board of Directors. Any change in RBI regulations shall automatically override the relevant clauses of this policy until a formal amendment is recorded.

14. Approval

This Policy has been approved by the Board of Directors of SHREM infra invest Private limited on April 04th 2026. The Board reserves the right to amend or modify this Policy as and when required

For Shrem Infra Invest Private Limited

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Nitan Chhatwal
Director
DIN: 00115575