

# **SHIRDI INDUSTRIES LIMITED**

## **POLICY ON RELATED PARTY TRANSACTIONS**

**(As approved by the Board of Directors on 02.04.2015)**

1. The Board of Directors (the “Board”) of Shirdi Industries Ltd (the “Company” or “SIL”), has adopted this Policy on Related Party Transactions as required in terms of provisions of Section 188 of the Companies Act, 2013.
2. All Related Party Transactions must be identified and reported to Directors and shareholders, wherever necessary. The said transactions shall be disclosed in accordance with the requirements of the Companies Act, 2013 .
3. Each Director and Key Managerial Personnel is responsible for providing notice of disclosure of interest under section 184 of the Companies Act 2013 along with list of relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/individual disclosed by the director/ KMP or any other related party by complying the provisions under Companies Act only.
4. The terms of the Related Party Transaction should be fair and on arms- length basis to the Company and should apply on the same basis if the transaction did not involve a Related Party;
5. The transaction should be made in ordinary course of business;
6. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
7. Notwithstanding the foregoing, the following Related Party Transactions shall not require approval.
8. Any transaction that involves the providing of compensation in connection with his or her duties to the Company or to any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
9. Reimbursement made of expenses incurred by a Related Party for business purpose of the Company, or Reimbursement received for expenses incurred by the Company on behalf of a Related Party.
10. Any transaction in which the Related Party’s interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
11. Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval.
12. This policy shall operate prospectively and all the agreements which have been entered before the effective date of this policy and are in accordance with the then prevailing laws shall be valid and effective. This Policy will be communicated to all Directors, KMPs, operational employees and other concerned persons of the Company.