

# **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

[Pursuant to Clause 49 (VII) (C)/ (VIII) (2) of the Listing Agreement]

## **Introduction and Background**

- Shri Keshav Cements and Infra Limited (the “Company”) (Formerly Katwa Udyog Limited) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its stakeholders’ best interests.
- This Policy is framed pursuant to Clause 49(VII)(C) of the Listing Agreement as amended by the SEBI Circular – CIR/CFD/POLICYCELL/ 2/2014 dated 17th April 2014 (the “SEBI Circular”) read with amendment Circular – CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 of SEBI.

## **Scope & Inclusion**

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

## **Terms and References**

### **Materiality of related party transactions**

Contracts / arrangements with a related party shall be considered as “material related party contracts / arrangements” if the transactions during a financial year under such contracts / arrangements exceed the threshold prescribed by the SEBI Circular or any amendment thereof.

## **Policy**

- All related party contracts / arrangements shall be in ordinary course of business and shall be entered on arm’s length basis.
- In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of ordinary course of business and/or arm’s length, after approval from Audit Committee.
- All related party contracts / arrangements shall comply with the Companies Act, 2013.
- All related party contracts / arrangements shall comply with the Listing Agreement.
- All related party contracts / arrangements shall comply with the Accounting Standards.
- All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- All international related party contracts / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- Prior approval of Audit Committee shall be taken for all related party contracts / arrangements as required under the Companies Act and Listing Agreement. However, the Audit Committee may grant omnibus approval to related party transactions subject to such conditions as are, or may be, prescribed.
- Details of all related party transactions shall be periodically disclosed as may be required.

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