

AKASH INFRA-PROJECTS LIMITED
RELATED PARTY TRANSACTION POLICY

Related Party Transaction Policy

1. Preamble:

The Board of Directors of Akash Infra-Projects Limited ('the Company') has adopted this policy and procedure with regard to the Related Party Transactions (RPT). The Policy outlines the procedure governing RPT, required to be followed by the Company in compliance of the provisions of Section 188 of the Companies Act, 2013 ('the Act') read with the Companies (meetings of the Board and its powers) Rules, 2014 (Rules) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Pursuant to the said Regulation a Listed Company needs to formulate a Policy on materiality of RPTs and also on dealing with the RPTs.

2. Objectives:

The Company has through this policy defined and followed rules, regulations and procedure for compliance of the applicable provisions of RPTs as envisaged in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Act read with Rules framed thereunder.

3. Definitions:

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted in accordance with Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Board” means Board of Directors of the Company.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole- time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

“Material Related Party Transaction” means the transactions entered or to be entered into with related party exceeds the threshold as defined under Regulation 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments made, if any, from time to time.

“Material Modifications”

- Material Modification shall mean any subsequent changes in terms and conditions of transactions with related parties which if made would have substantial impact on the

related party transactions and which shall be determined on case to case basis by the Audit committee or the Chairman of the Committee as may be authorized.

- Any change in the terms and conditions of related party transactions which results into change of more than 25% from the existing threshold shall be deemed to be material modification for which the approval will be required to be obtained as provided under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments made, if any from time to time.

“Related Party” Means a related party as defined under:

- Section 2 (76) of the Companies Act, 2013
- Regulation 2 (1) (zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- under the applicable accounting standards

and includes the amendments made, if any, in the above from time to time.

“Relative” means relative as defined under Section 2(77) of the Companies Act, 2013 and revisions which may take place in the said enactments from time to time. Section 2(77) of the Companies Act, 2013 includes anyone who is related to another, if-

- (i) They are members of a Hindu undivided family;
- (ii) They are husband and wife;
- (iii) Father (including step-father);
- (iv) Mother (including step-mother);
- (v) Son (including step-son);
- (vi) Sons' wife;
- (vii) Daughter;
- (viii) Daughter's husband;
- (ix) Brother (including step-brother);
- (x) Sister (including step-sister)

“Related Party Transaction” means the Related Party Transactions as defined under:

- (a) Under Regulation 2 (1) (ZC) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**
- (b) Under Section 188 of the Act:** Any contract or arrangement with respect to the following shall be considered as a Related Party Transaction:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Appointment of a person to any office or place of profit in the company, its subsidiary company or associate company;
- Underwriting the subscription of any securities or derivatives thereof of the Company.

and includes any amendments made, if any, in the above from time to time. Explanation:

I. Arms' length transaction – Section 188(1) of the Act:

The expression “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.

II. Office or place of profit means any office or place of profit:

- a) is held by a Director, if the Director holding it receives from the Company anything by way of remuneration, over and above the remuneration to which he is entitled as Director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- b) is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

4. Policy:

All Related Party Transactions shall be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy. All RPTs shall require prior approval of the Audit Committee and all Material Related Party Transactions shall require approval of the Shareholders and no Related Parties shall vote to approve such Resolution.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company in accordance with the conditions specified in the Section 178 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case the prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

5. Procedure:

A. Disclosure by Directors:

Every Director and Key Managerial Personnel (KMPs) shall at the beginning of the Financial Year provide information by way of written notice to the Company regarding his/her concern or interest in the entity with specific concern as related party with respect to the Company and also the list of relatives who are regarded as Related Parties under this Policy.

B. Review and approval of Related Party transactions:

- a. All Related Party Transactions or changes therein, must be reported by the Chief Financial Officer to the Company Secretary who shall place the details of RPTs for prior approval of the Audit Committee in accordance with this Policy.
- b. The Audit Committee shall consider the following factors while deliberating RPTs for its approval.
 - Name of party and details explaining nature of relationship;
 - Nature of transaction and material terms thereof including the value, if any;
 - The manner of determining the pricing to ascertain whether the same is on Arm's Length Basis;
 - Business rationale for entering into such transaction;

Independent Directors only will approve the transactions in the Audit Committee.

The Company will provide the basis for entering into transaction with the subsidiaries/ Joint Ventures on arm's length basis. The Audit Committee will consider the principle / basis for the arm's length price and will provide its approval for entering into the transactions with the subsidiaries/JVs on that principle for all the transactions in the ordinary course of business.

The approval shall not be required for the transactions with subsidiary, if:

- transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval
- c. If the evaluation indicates that such transactions would require approval of the Board pursuant to Section 188 of the Companies Act, 2013 or in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or otherwise, the Audit Committee will report the transaction together with a summary of material facts to the Board for its approval.
 - d. If the Board is of the view that the Related Party transactions need to be approved at the

General Meeting of the Shareholders pursuant to Section 188 of the Companies Act, 2013 or in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same shall be put up for approval by the Shareholders of the Company.

- e. If the prior approval of Audit Committee/ Board/General Meeting for entering into a Related Party Transactions is not feasible, then the Related Party Transaction shall be ratified by the related authority i.e. Audit Committee/ Board/General Meeting as the case may be within the prescribed reasonable time period of entering into such transactions.
- f. In any case where either the Audit Committee/ Board/ General Meeting determines not to ratify a particular transaction which has been commenced without prior approval, the Committee or Board may give directions including, but not limited to, immediate discontinuation of the transactions or modifications of the transactions to make it acceptable as provided in the Companies Act, 2013.
- g. Where any director or KMP is interested in any contract or arrangement with a related party, such director or KMP shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- h. If a RPT is ongoing/ frequent/ regular/ repetitive in nature, the Audit Committee may establish guidelines for granting omnibus approval for such RPTs.
- i. The Omnibus approval shall specify the name of the Related Party, nature of transaction, period of transaction, maximum value of the transaction that can be entered into, indicative price and the criteria for evaluation of the price if any and on such other terms and conditions as the Audit Committee may deem fit.

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

- j. Where the need for Related Party Transaction cannot be foreseen, the Audit Committee may grant omnibus approval for such transaction subject to the prescribed reasonable terms of the transactions per annum. The details of such transaction shall be reported to the Audit Committee for ratification.
- k. The Audit Committee shall review at least on a quarterly basis, the details of Related Party Transaction entered into by the Company, pursuant to each of the omnibus approval given by the Committee.
- l. The Omnibus approval shall be valid for the period not exceeding one year and fresh approval shall be obtained on expiry of one year.

C. Transactions which do not require approval:

Notwithstanding the foregoing, the following Related Party Transactions shall not require

approval of Audit Committee:

- (a) Any transaction involving the providing of compensation to a Director or Key Managerial Personnel in connection with his/her duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business.
- (b) 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.

6. Threshold limits for specified transactions as required under Regulation 23 of Listing Obligations and Disclosure Requirements) Regulations, 2015 and as defined under Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014:

The RPTs which cross the Materiality threshold limit under Companies Act, 2013 as mentioned below shall be entered by the Company only with prior approval of shareholders of the Company, as per applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time:

Sr. No.	Criteria	Transaction Threshold Limits
1.	Sale, purchase or supply of any goods or materials (Directly or through agent)	More than 10% of annual turnover or Rs.100 Crore whichever is lower
2	Selling or otherwise disposing of, or buying, property of any kind (Directly or through agent)	More than 10% of net worth or Rs.100 Crore whichever is lower
3	Leasing of property of any kind	More than 10% of net worth or 10% of turnover or Rs. 100 Crore whichever is lower
4	Availing or rendering of any services (Directly or through agent)	More than 10% of turnover or Rs.50 Crore whichever is lower
5	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Remuneration exceeds Rs. 250,000 per month
6	Underwriting the subscription of any securities of the company or derivatives thereof	Remuneration exceeds 1% of net worth

Transactions (entered into individually or taken together with previous transactions in the financial year) involving payment made to a related party with respect to brand usage or royalty shall be deemed to be material if they exceed 2% of the annual consolidated turnover of the listed entity, as per the last audited financial statements.

7. Disclosures:

- Every Related Party Transaction with proper justification shall be disclosed in the Directors' Report in prescribed form.
- The Company shall disclose the Policy on dealing with Related Party Transactions on its website and a web-link thereto shall be provided in the Annual Report.
- The Company shall submit within 30 days of the publication of its financial results for the half year, disclose the related party transactions in the format specified in the relevant accounting standards for annual results to the Stock Exchanges and publish the same on its website.
- This Policy will be communicated to all operational employees and other concerned persons of the Company.

8. Amendment:

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.
