



SORIL Infra Resources Limited

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Policy for Dealing with Related Party Transactions

I. INTRODUCTION

SORIL Infra Resources Limited (the “Company” / “SORIL”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Accordingly, Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company has formulated this policy on materiality of related party transactions and on dealing with related party transactions.

This policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

II. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

- a) “**Act**” means the Companies Act, 2013, for the time being in force and as amended from time to time.
- b) “**Listing Regulations**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and as amended from time to time.
- c) “**Audit Committee**” means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) “**Board/Board of Directors**” means the board of directors of SORIL.

- e) **“Related Party”** shall mean a person or entity that is related to the Company as defined under Section 2(76) of the Companies Act, 2013 or under Regulation 2(zb) of the Listing Regulations, as may be amended from time to time.
- f) **“Related Party Transaction”** shall mean all transactions as per Section 188 of the Act or under regulation 2(zc) of the Listing Regulations or as per applicable accounting standards, as may be amended from time to time.
- g) **“Material transaction”** means transaction(s) defined as Material Related Party Transaction(s) under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.
- h) **“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.
- i) **“Ordinary Course of Business”** - The transactions shall be in the ordinary course of business if - (a) If the transaction is covered in the main objects or objects in furtherance of the main objects or (b) If the transaction is usual as per industry practice or (c) If the transaction is happening frequently over a period of time and is for the business purpose of the Company.
- j) **“Annual Consolidated Turnover”** is defined as Total Income (including other income) of the last audited Consolidated Financial Statements of the Company.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

III. POLICY

All RPTs must be in compliance of this Policy and subject to all applicable regulatory requirements.

IV. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Approval of Related Party Transactions:

A. *Audit Committee:*

- i. All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

- ii. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and shall not participate in discussion and voting on the approval of the Related Party Transactions.

B. Board of Directors:

- i. In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.
- ii. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and shall not participate in discussion and voting on the approval of the Related Party Transaction.

C. Shareholders:

- i. If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution.
- ii. Any member, who is a Related Party, shall not participate in discussion and voting on resolution for approving such Related Party Transaction.

V. OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

VI. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee.

In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is informed to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all relevant facts and circumstances regarding the RPT and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT.

VII. THRESHOLD LIMITS FOR MATERIALITY OF RELATED PARTY TRANSACTIONS

The threshold limits for materiality of related party transactions shall be –

- (a) Rs. 200 (Rupees Two Hundred Crores), or
 - (b) ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company,
- whichever is lower.

VIII. DISCLOSURE OF THE POLICY

This Policy will be uploaded on the website of the Company at www.sorilinfraresources.com/.

IX. POLICY REVIEW

This Policy is framed based on the provisions of Regulation 23 of the Listing Regulations. In case of any subsequent changes in the provisions of the Listing Regulations or the Companies Act, 2013 and Rules made thereunder (Act), then the amended Listing Regulations/Act would prevail over the Policy and the provisions in the Policy would be suitably modified in due course to make it consistent with law.

The Board may review and amend this policy from time to time. The Audit Committee (the “Committee”) will review, modify and approve the related party transaction to be entered by the Company.