

**RELATED PARTY TRANSACTIONS POLICY**  
**Effective - 10.04.2025**

**SHIVALIC POWER CONTROL LIMITED**  
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**Shivalic Power Control Limited**

(Formerly Known as Shivalic Power Control Private Limited)

CIN : U31200HR2004PLC035502

Plot No-72, Sector-68, IMT Faridabad-121004.

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## RELATED PARTY TRANSACTIONS POLICY

### 1. INTRODUCTION & OBJECTIVE OF THE POLICY

Shivalic Power Control Limited (hereinafter referred to as “SPCL” or “Company”) has formulated this policy on dealing with Related Party Transactions and materiality of Related Party Transactions in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment or modification thereof) and also to comply with the provisions of Section 188 of the Companies Act, 2013.

The Company believes that any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures/ or permissions are made/ sought as required by law and applicable policies of the Company. As such, this policy provides a framework to regulate transactions between the Company and its related parties and also lays down mechanism for identification, approval, review and reporting of such transactions.

### 2. DEFINITIONS

“**Arm’s length Transactions**” means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

“**Audit Committee**” means Committee of Board of Directors of the Company constituted under provisions of the Listing Regulations and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Company**” means Shivalic Power Control Limited.

“**Key Managerial Personnel**” or “**KMP**” means Key Managerial Personnel as defined under the Companies Act, 2013.

“**Material Related Party Transaction**” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore

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or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per its last audited financial statements.

Further, related party transactions covered under Rule 15(3) of The Companies (Meeting of Board and its Powers) Rules, 2014 shall also be material related party transactions.

**“Material Modification”** will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be or such modification which would make the transaction less favorable to the Company.

**“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association. It also includes all such activities which the Company shall undertake in furtherance of the objects as stated in Memorandum of Association of the Company.

**“Policy”** means this Policy on Related Party Transactions along with regulatory amendments in its respect.

**“Relative”** means relative as defined under the Companies Act, 2013, and Rules prescribed thereunder as amended from time to time.

**“Related Party”** means a related party as defined under Section 2 of the Companies Act, 2013 and under Regulation 2(1)(zb) of the Listing Regulations and/or under the applicable Accounting Standards, as amended from time to time.

**“Related Party Transaction”** (“RPT”) shall mean such transactions as specified under Section 188 of the Companies Act, 2013 or Rules made thereunder and under Regulation 2(1)(zc) of the Listing Regulations, including any amendment or modification thereof.

Regulation 2(1)(zc) states that “related party transaction” means a transaction involving a transfer of resources, services or obligations between:

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- (i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or,
- (ii) A listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023, regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Provided that the following shall not be a related party transaction:

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) The following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. Payment of dividend
  - ii. Subdivision or consolidation of securities
  - iii. Issuance of securities by way of a rights issue or a bonus issue; and
  - iv. Buy-back of securities.
- c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board
- d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

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Further, unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013/ Listing Regulations as may be amended from time to time and shall have the meaning respectively assigned to them therein.

### 3. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each director and Key Managerial Personnel is required to give notice of disclosure of interest under section 184 of the Companies Act 2013, along with their list of relatives to the Company. The Company shall collate the data and shall at all times maintain database of Company's Related Parties and shall ensure that no transaction is entered into with any Related Party without requisite approvals.

Further each director, KMP is also responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative, including any additional information about the transaction that Board/Audit Committee may reasonably request.

### 4. FACTORS TO BE CONSIDERED WHILE GRANTING APPROVAL TO RELATED PARTY TRANSACTIONS

The Audit Committee/Board will consider the following factors, among others, to the extent relevant to the RPT while granting the approval-

- Whether the terms of the RPT are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
- Whether the RPT would affect the independence of an Independent Director;
- Whether the transaction qualifies to be a transaction in ordinary course of business;
- Whether the transaction is in the interest of the Company;
- Whether the RPT would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the direct or indirect nature of the transaction, Key Managerial Personnel's or other Related Party's interest in the transaction.

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## 5. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

### (a) AUDIT COMMITTEE APPROVAL

- The RPT would be approved by only the Independent members of Audit Committee as per Regulation 23(2) of SEBI (LODR) Regulation, 2013.
- All Related Party Transactions and their subsequent material modifications shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 along with Rules made thereunder, or by Secretarial Standards, or as per Regulation 23(2) of SEBI (LODR) Regulations, 2013. Prior approval of the Audit Committee shall also be required for the following Related Party Transactions:

(b) a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

(c) In case any member of the Committee is interested in the transaction proposed for approval, the interested member shall abstain from voting and only the disinterested members shall vote on the resolution.

(d) remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the limit of materiality as stated above

(e) The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ii. the transaction is not material in terms of the provisions of sub-regulation of this regulation;

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- iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- v. any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- The Committee may grant an omnibus approval for RPT proposed to be entered into by the Company or its subsidiary which are repetitive in nature and subject to such criteria/conditions as mentioned under the Companies Act, 2013 and Rules made thereunder and under Regulation 23(3) of Listing Regulations and such other conditions as it may consider necessary in the interest of the Company. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- The omnibus approval shall mention important relevant information such as names of related parties, nature and period of transaction, maximum amount of transactions that can be entered into and indicative base price or current contracted price along with formula for variation in the price and such other conditions as the Audit committee may deem fit.
- Company shall provide the following information, for review of the audit committee for approval of a proposed RPT:
  - I. Type, material terms and particulars of the proposed transaction;
  - II. Name of the related party and its relationship with the company or its subsidiary, including nature of its concern or interest (financial or otherwise);
  - III. Tenure of the proposed transaction (particular tenure shall be specified);
  - IV. Value of the proposed transaction;

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- V. The percentage of the company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- VI. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the company or its subsidiary:
- (a) details of the source of funds in connection with the proposed transaction
  - (b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and tenure;
  - (c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - (d) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- VII. Justification as to why the RPT is in the interest of the listed entity;
- VIII. A copy of the valuation or other external party report, if any such report has been relied upon;
- IX. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- X. Any other information that may be relevant;
- The basic criteria for providing omnibus approval shall be that the proposed transactions are repetitive in nature and are in the interest of the Company.
  - In case the need for Related Party Transaction cannot be foreseen, audit committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees one crore per transaction.
  - Any member of the Audit Committee having potential interest in any RPT shall recuse himself and abstain from discussing and voting on the approval of the concerned RPT.
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- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- The Audit Committee shall recommend the RPT for approval of Board of Directors/ Shareholders as may be required.
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- The Audit Committee shall recommend the RPT for approval of Board of Directors/ Shareholders as may be required.

#### **(b) APPROVAL OF BOARD OF DIRECTORS**

- The Board shall approve such RPT as are required to be approved under section 188 of the Companies Act 2013 and/or Listing Regulations and/or transactions referred to it by the Audit Committee.
- However approval of the Board will not be required in case of transactions entered into by the company in its ordinary course of business and at arm's length.
- All material related party transactions and subsequent material modifications shall require approval of Board of Directors of the Company.
- Any member of the Board having potential interest in any RPT shall recuse himself and abstain from discussing and voting on the approval of Related Party Transaction.
- The Company may, if considered necessary, and if required by the Board of Directors or Audit Committee, seek external opinion in order to determine if the Related Party Transaction is in the Ordinary Course of Business and/or is at Arm's Length Price.

#### **(c) APPROVAL OF SHAREHOLDERS**

- All Material RPTs and subsequent material modifications as defined in this Policy require prior approval of the shareholders through a resolution.
- All entities falling under the definition of "related parties" shall not vote to approve such resolution whether the entity is a party to the particular transaction or not.
- Information to be provided to shareholders for consideration of RPTs, the notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the

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following information as a part of the explanatory statement:

- a) A summary of the information provided by the management of the listed entity to the audit committee;
- b) Justification for why the proposed transaction is in the interest of the listed entity;
- c) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- d) A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f) Any other information that may be relevant.

## 6. 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 as per this Policy, the matter shall be reviewed by the Audit Committee. The Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification by it or recommending the Board for their ratification or seeking approval of Shareholders, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy, and shall take any such action it deems appropriate.

The Committee has authority to modify or waive any procedural requirements of this Policy.

Following transactions not to be considered as Related Party Transactions:

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board of Directors or Shareholders:

- a) 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.

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- b) 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.
- c) Reimbursement of pre-incorporation expenses incurred by or on behalf of a Related Party.
- d) 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.
- e) Any other exception which is consistent with the Applicable Laws, including any
- f) rules or regulations made thereunder, and does not require prior approval by the Audit Committee.
- g) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- h) Transactions entered into between two wholly-owned subsidiaries of the company whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

## 7. DISCLOSURES & REPORTING

- Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 shall be disclosed in the Director's Report in the prescribed format along with justification for entering into such contracts or arrangements.
- Details of all Material RPT shall be disclosed in the Corporate Governance report on a quarterly basis and submitted to Stock Exchange
- The Company shall disclose the policy on dealing with RPT on its website and a web link thereto shall be provided in the Annual Report of the Company as prescribed in Schedule V of the SEBI (LODR) Regulations, 2015.
- The Company shall disclose materially significant RPT, which might have potential conflict with interest of the Company in the Annual Report.
- The Company shall submit to the Stock Exchanges disclosure of Related Party Transactions in the format as specified by the SEBI from time to time and also publish the same on its website.

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- The Company shall disclose transactions with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.
- The company and its subsidiaries shall in `Corporate Governance Report' disclose Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- The Company shall make such other disclosures as may be required in compliance with the accounting standards on RPT.
- The Company shall keep one or more registers, maintained physically or electronically as specified under Companies Act, 2013 giving separately the particulars of all contracts or arrangements with any related party and shall make the same available for inspection in accordance with the Companies Act, 2013.

## 8. REVIEW AND AMENDMENT OF THE POLICY

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

The Board of Directors on recommendation of the Audit Committee shall review the policy atleast once in every three years. However, the Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.

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