



ARSS INFRASTRUCTURE PROJECTS LIMITED

Policy on Related Party Transactions

1. Preamble

The Board of Directors (the “Board”) of ARSS Infrastructure Projects Limited (the “Company” or ARSS), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Management will review and may amend this policy from time to time to bring the same in line with the amendments as may be applicable under the Clause 49 of the Listing Agreement and / or the relevant provisions of the Companies Act, 2013 This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations to the Company.

2. Purpose

Clause 49 (VII) of the Listing Agreement provides, among other things, that the company shall formulate a policy on materiality of Related Party Transactions and also for dealing with Related Party Transactions. This policy intends to comply with the requirements of Clause 49 (VII) of the Listing Agreement to ensure proper approval and reporting of dealings with Related Parties and shall also be governed by the Companies Act, 2013 read with Rules made there under, as may be amended from time to time.

The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

3. Definitions

- a. “**Act**” means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- b. “**Arms’ 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.
- c. “**Audit Committee**” shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of the Act and Listing Agreement.
- d. “**Board**” refers to Board of Directors of ARSS Infrastructure Projects Limited.
- e. “**Company**” or “**ARSS**” refers to ARSS Infrastructure Projects Limited pursuant to this policy.
- f. “**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be amended from time to time.
- g. “**Material transaction**” means a transaction with a related party where any transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

h. **“Related Party”** shall have the meaning ascribed to it in Clause 49 of the Listing Agreement and the Act, including all amendments and modifications thereof from time to time.

i. **“Related Party Transaction”** means transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

j. **“Rules”** means Companies (Meetings of Board and its Powers) Rules, 2014 including any modifications or amendments thereof).

k. **“Transaction”** with a Related Party shall be construed to include single transaction or a group of transactions entered into under a single contract.

Words, terms and expressions used and not defined in these rules or Listing Agreement but defined in the Act shall have the same meaning respectively assigned to them in the Act.

4. Policy Guidelines

1. There are some ongoing transactions with various related parties which have been perused and approved by the Board from time to time. Although such transactions are in the ordinary course of business and on arm’s length basis, yet any modification or fresh arrangement with related parties as listed above shall be approved by the audit committee from time to time.
2. All such Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company.
3. All the material Related Party Transactions entered into by the Company, exceeding 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, will be put up for approval of non related party shareholders.
4. The prior approval Audit Committee and Shareholders as mentioned above, shall not be applicable for the transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with company and are placed before shareholders at the general meeting for approval.
5. While approving the Related Party Transactions, the Board will go through all the material details like (i) whether the transaction is fair to the Company, (ii) whether the Audit Committee has been made available all of the material facts regarding the transaction or parties involved, (iii) whether the transaction is generally available to an unrelated third-party under the same or similar circumstances and cost, and (iv) the extent of the Related Person’s interest in the transaction.
6. The agenda of the Audit Committee / Board meeting, at which any resolution pertaining to transactions with related parties is proposed to be moved, shall disclose:
 - a) the name of the related party and nature of relationship;
 - b) the nature, duration of the contract and particulars of the contract or arrangement;
 - c) the material terms of the contract or arrangement including the value, if any;
 - d) any advance paid or received for the contract or arrangement, if any; the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - e) whether all factors relevant to the contract have been considered and if not, the details of factors not considered with the rationale for not considering those factors; and
 - f) any other information relevant or important for the Audit Committee / Board to take a decision on the proposed transaction.

7. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
8. The explanatory statement to be annexed to the notice of a general meeting convened for the purpose of seeking approval of shareholders for entering into related party transactions shall contain the following particulars namely:-
 - a) name of the related party ;
 - b) name of the director or key managerial personnel who is related, if any;
 - c) nature of relationship;
 - d) nature, material terms, monetary value and particulars of the contract or arrangement;
 - e) any other information relevant or important for the members to take a decision on the proposed resolution.
9. Details of all material transactions with related parties shall be disclosed in the quarterly compliance report on corporate governance being submitted to the Stock Exchange.
10. 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.
11. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.