



**SHAH METACORP LIMITED**  
**(CIN: L46209GJ1999PLC036656)**

**RELATED PARTY TRANSACTIONS-POLICY**  
**(As approved by Board of Directors)**

**Preamble**

The Board of Directors (the “Board”) of **SHAH METACORP LIMITED** (Formerly knowns as GYSCOAL ALLOYS LIMITED) (the “Company”), adopts the following policy and procedures with regard to Related Party Transactions and Material Related Party Transactions in compliance with the requirements of in compliance with Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

The Audit Committee will review and may amend this policy from time to time. The Policy has been amended in line with SEBI (LODR) (Third Amendment) Regulations, 2024 dated 12<sup>th</sup> December 2024.

The words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law or regulation, as amended from time to time.

**1. 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 applicable on the Company.

**2. Purpose**

This policy is framed as per requirement of Company Act 2013 & Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

**3. Definitions**

“**Policy**” means Related Party Transaction Policy.

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

**“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;

shall be deemed to be a related party:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

**“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:

(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;

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 by the listed entity 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:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)

**“Office or place of profit”** means any office or place—

(i) where such office or place 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;

(ii) where such office or place 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;

**“Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under:

Provided this definition shall not be applicable for the units issued by mutual fund which are listed on a recognised stock exchange(s);

**“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 with a Related Party during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, 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 the last audited financial statements of the company.

#### **4. Review and Approval of Related Party Transactions**

All Material Related Party Transactions and Related Party Transactions which are not the ordinary course of the Business and not on Arm’s Length transaction. However, Related Party Transactions which are in ordinary course of business of the Company and on Arm’s Length Price shall be periodically disclosed to the Audit Committee/Board.

##### **➤ Approval of Audit Committee:**

The Company shall not enter into contracts or arrangement with a related party without the prior approval of the Audit Committee. All subsequent material modification to such contracts or arrangement shall also require prior approval of the Audit Committee. For administrative convenience, the Audit Committee would provide omnibus approval annually for estimated value of transactions with each specified related party for any transaction individually or taken together with previous transaction(s) during a financial year not exceeding ten percent of the annual consolidated turnover of the company as per the last audited financial statements. On a quarterly basis, the Audit Committee shall review transactions

conducted with related parties under the contracts or arrangements including modifications to existing contracts or arrangements, if any, with related parties vis-à-vis omnibus approval provided earlier, and consider approval.

(a) All related party transactions and subsequent material modifications shall require prior approval of the audit committee and only those members of the audit committee, who are independent directors, shall approve related party transactions.

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

(c) A related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

(d) Prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

(e) 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 provisions of sub-regulation (1) of this regulation.

(f) All transactions involving transfer of resources, services, or obligations between a company or any of its subsidiary and a related party or any of its subsidiary or any other person/entity the purpose and effect of which would benefit, related party or any of its subsidiary regardless of whether a price is charged or not, are considered related party transactions as per SEBI Listing Regulations.

- Transactions with wholly owned subsidiaries and between wholly owned subsidiaries are exempt for all approvals provided they are in ordinary course of business and at arm's length.
- In the event such contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and rules framed there under and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

➤ **Omnibus Approval may be granted by the Audit Committee:**

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions, namely-

(a) The audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) The audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(c) The omnibus approval shall specify the name of the related party, nature of the transaction, transaction period, maximum transaction amount, pricing information, and any other relevant conditions.

If details for a related party transaction cannot be foreseen, the audit committee can grant omnibus approval for transactions not exceeding rupees one crore per transaction.

(d) The audit committee must review the details of related party transactions conducted under omnibus approval on a quarterly basis.

(e) Omnibus approvals are valid for a maximum of one year and require fresh approval after the expiry of one year.

➤ **Prior approval of Members by means of special resolution:**

All material related party transactions and subsequent material modifications need prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions.

Prior shareholder approval is not needed for related party transactions where a listed subsidiary is a party, but the listed entity is not, if regulation 23 and sub-regulation (2) of regulation 15 are applicable to the listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

The requirement for shareholder approval does not apply to a resolution plan approved under section 31 of the Insolvency Code, provided the event is disclosed to the stock exchanges within one day of approval.

➤ **Disclosures:**

The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website.

Provided further that the listed entity shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results.

Provided further that the listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.

➤ **Ratification of Transactions:**

The members of the Audit Committee, who are Independent Directors, may ratify related party transactions within three months of the transaction, or the next audit committee meeting, whichever is earlier, provided that:

- i. The transaction value does not exceed rupees one crore.
- ii. The transaction is not material.
- iii. The rationale for not seeking prior approval is placed before the audit committee.
- iv. The details of ratification are disclosed in the related party transaction disclosures.
- v. Any other condition specified by the audit committee.

Provided that Failure to seek ratification will make the transaction voidable and directors involved shall indemnify the company against losses.

- The Company shall not give any loan/advance/guarantee directly or indirectly to any director, director of holding company, or any partner or relative of any such director and anybody corporate in which he or his relatives are interested subject to conditions laid down by the Companies Act 2013 and rules framed there under.

Company shall not directly or indirectly give loan or give any guarantee or security in connection with loan to any person or body corporate exceeding prescribed limits. However, such restrictions would not apply to transactions with wholly owned subsidiaries.

Contracts or arrangements approved not in the ordinary course of business or at arm's length shall be disclosed in the Board's report along with justification for entering such contract or arrangement. Company shall maintain a register of such contracts and disclose transactions with related parties in its annual report and material related party transactions in corporate governance report.

**This policy (including the thresholds) shall be reviewed by the Board of Directors atleast once in three years and/or as and when required and updated accordingly.**

*Last Policy updated on January 10, 2025*