SHARVAYA METALS LIMITED

(Formerly known as Sharvaya Metals Private Limited)

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

(a) In case of transaction involving payments made with respect to brand usage or royalty if it exceeds 5% of the annual turnover of the Company as per its last audited financial statements.

(b) In case of any other transaction, if the amount exceeds Rs. 50 Crores or 10% percent of the annual turnover of the Company as per its last audited financial statements of the Company, whichever is lower.

"**Ordinary course of business**" means 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 of Association & Articles of Association.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, LODR Regulations or any other applicable law or regulation and as amended from time to time.

III. PROCESS AND PROCEDURE FOR DEALING WITH RELATED PARTY TRANSACTIONS

All Related Party Transactions must be reported to the Audit Committee.

All Related Party Transactions upto threshold limit of Material Related Party Transactions shall require initiation to the Audit Committee. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

Procedure:

A. Disclosure by Directors

Every Director shall at the beginning of the Financial Year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

B. Identification of Transaction with related Parties

Each Director and Key Managerial Personnel is responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request Audit Committee will determine whether a transaction does infact, constitute a Related Party Transaction requiring compliance with this policy.

Each Director and Key Managerial Personnel shall make an annual declaration to the Company and this declaration shall be placed before the Board of Directors at their first meeting held in the financial year. Any change in the list of relatives shall be intimated by the Directors and Key Managerial Personnel from time to time, as may be required.

ratification is allowed and would be detrimental to the Company; and

(vi) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

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

c. Such omnibus approval shall specify:

(i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,

(ii) The indicative base price/current contracted price and the formula for variation in the price if any and

(iii) Such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR.1,00,00,000/- (Rupee One Crores only) per transaction.

d. Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

e. Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1(one) year.

(b) Board of Directors

Where approval of Board of Directors is required for any related party transaction or if the Board in any case elects to reviews any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

(a) the value of the transaction(s) ratified during a financial year, individually or together, shall not exceed ₹1 crore;
(b) the transaction shall not be a Material Related Party Transaction under Regulation 23(1);
(c) detailed reasons explaining why prior approval could not be obtained shall be placed before the Audit Committee; and
(d) particulars of ratified transactions shall form part of the periodic disclosures to the Stock Exchange(s).

(h) Failure to Ratify

If ratification is not obtained within the prescribed period, the transaction shall be voidable at the option of the Audit Committee. Where the transaction was entered into by or authorised by a director, such director(s) shall indemnify the Company against any loss incurred.

IV. DISCLOSURE

The particulars of contracts or arrangement with Related Parties referred to in section 188(1) of the Act shall be disclosed in the report of the Board as per Section 134 of the Act. Further, the Company shall provide additional disclosures on related party transactions as required under Regulation 23 of the SEBI (LODR) Regulations, 2015.

The Company shall submit disclosures of Related Party Transactions on a consolidated basis, in the format specified by the Securities and Exchange Board of India to the stock exchanges and publish the same on its website within the time limit prescribed under LODR Regulations.

V. SUBSIDIARY RELATED PARTY TRANSACTIONS

Prior approval of the Audit Committee shall be obtained for transactions where a subsidiary is a party but the listed entity is not, if the value exceeds the lower of 10% of the subsidiary's annual standalone turnover or the material RPT threshold applicable to the Company. Where audited financial statements are unavailable for one year, the threshold shall be computed with reference to paid-up share capital and securities premium. Approval is not required where the transaction is entered into by a listed subsidiary independently complying with Regulation 23 and Regulation 15(2).

Ratification of Subsidiary Transactions

Missed prior approval for eligible subsidiary RPTs may be ratified by the Independent Directors on the Audit Committee within three months or at the next Audit Committee meeting, whichever is earlier, subject to the ₹1 crore limit and provided the transaction is not material.

Failure to Ratify Subsidiary Transactions

Failure to obtain ratification shall render the transaction voidable at the option of the Audit Committee and the concerned director may be required to indemnify the listed entity for any resulting loss.

VI. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to