



KNR CONSTRUCTIONS LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

Objectives:

The Board of Directors (hereinafter referred to as “the Board”) of KNR Constructions Limited has adopted policy on determining materiality of Related Party Transactions (hereinafter referred to as “the policy”) to set forth the procedures the procedures under which transactions with Related Parties and materiality thereof shall be ascertained and considered subsequently for approval.

This Policy also aims to comply with the provisions of Section 188 of the Companies Act 2013 and Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (SEBI Listing Regulations), as amended from time to time. This policy applies to transactions between the Company and one or more of its Related Party(ies) as defined herein below. It provides a framework for governance and reporting of Related Party Transactions including Material Related Party Transactions.

Definitions:

The term “**Related party**”, “**Related party transaction**” and “**Relative**” carries the same meaning as defined under the provisions of the Companies Act, 2013 read with rules made thereunder (as amended from time to time) and SEBI Listing Regulations (as amended from time to time).

“**Material Related Party Transaction**” means a Related Party Transaction which individually or taken together with previous transactions during the accounting year, exceeds threshold limit as stated hereinafter or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI Listing Regulations, as amended from time to time, whichever is stricter.

Policy on Related Party Transactions:

1. The Company shall not enter into any transaction/contract/agreement or any subsequent modification thereof with a related party without the prior approval of the Audit Committee unless the transaction /contract/ arrangement / modification enjoys any exemption as provided under the Companies Act, 2013 or Rules made thereunder or under the SEBI Listing Regulations.
2. The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the company, subject to the conditions as stated under Regulation 23(3) SEBI Listing Regulations.

3. In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such transaction/ contract /arrangement / modification.
4. "Material Modification" shall mean and include any modification to 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."

Policy on Material Related Party Transactions:

All material related party transactions shall require approval of the shareholders by way of an ordinary resolution as stipulated under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI Listing Regulations (unless exempted under the provisions of SEBI Listing Regulations as amended from time to time) and no related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

Further, all related party transactions (other than material related party transactions) pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or not an arms' length transaction and cross the threshold limits prescribed under Companies Act, 2013 shall also require the approval of shareholders of the Company and the concerned Related Party shall abstain from voting on such resolution(s).

Amendments:

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.

Amended by the Board of the Company at its meeting held on 14th February 2022.