INFRA INDUSTRIES LIMITED

CIN: L25200MH1989PLC054503

POLICY ON RELATED PARTY TRANSACTION

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1. INTRODUCTION

Related Party Transactions ("RPTs") have the inherent potential to create conflicts of interest that may not align with the overarching interests of a company and its stakeholders. In recognition of this, Infra Industries Limited ("the Company" or "IIL") has established a comprehensive framework for the identification, evaluation, approval, and documentation of all transactions with its related parties. This framework is designed to ensure transparency, fairness, and compliance with the applicable legal and regulatory provisions.

The regulatory landscape governing RPTs has evolved significantly over the years. The Securities and Exchange Board of India ("SEBI"), through its powers under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), has mandated that every listed entity formulate a policy on the materiality of related party transactions and the procedure for dealing with such transactions. Furthermore, the Companies Act, 2013 ("the Act") and the rules prescribed thereunder impose additional obligations with respect to the approval and disclosure of specified related party transactions.

In furtherance of its commitment to robust corporate governance, the Board of Directors ("the Board") of IIL has adopted this Policy on Related Party Transactions ("Policy"). This Policy is intended to serve as a guiding document for all personnel, directors, and key managerial personnel of the Company, setting forth the principles, approval mechanisms, and reporting requirements that shall govern RPTs entered into by the Company.

This Policy has been reviewed and updated to reflect the recent amendments brought about by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, which came into effect from November 18, 2025.

This Policy shall be reviewed once in every three years by the Audit Committee and the Board to ensure its continued relevance and effectiveness. Any modifications to this Policy, as required under Regulation 23(2) of the SEBI Listing Regulations, shall be recommended by the Audit Committee and approved by the Board. In the event of any inconsistency between the provisions of this Policy and the applicable laws or regulations, the latter shall prevail to the extent of such inconsistency.

2. OBJECTIVE OF THE POLICY

As a part of the business activity, the Company deals with entities which are related parties. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations. The purpose of this policy is to lay down the guiding principles, mechanism and approvals of different bodies and reporting framework. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

3. DEFINITIONS

3.1. "Act" means the Companies Act, 2013 including any statutory modification(s) or re- enactment(s) thereof.

3.2. "**Audit Committee or Committee**" means Committee of Board of Directors of the Company.

3.3. "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.

Explanation.—"significant influence" means control of at least twenty percent of total share capital, or of business decisions under an agreement.

3.4. "Arm's 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 or where based on the business requirements and then prevailing economic conditions, the relevant stakeholders have approved the terms of proposed related party transactions or where a regulator provides for any conditions impacting the market price of such transaction.

3.5. "Board of Director" or "Board" means the Board of Directors of the Company, as constituted from time to time.

3.6. "Company" means Infra Industries Limited.

3.7. "Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes –

i. Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
ii. Company Secretary; and
ii. Chief Financial Officer

3.8. "Material modification" means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25% or more or by which the transaction ceases to be in ordinary course and/or on arm's length basis or such other parameter as may be determined by the Audit Committee from time to time.

3.9. "Material Related Party Transaction" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed the threshold as specified in Schedule XII of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). The thresholds are as follows:

Annual Consolidated Turnover of the Listed Entity	RPT Materiality Threshold
Up to ₹20,000 Crore	10% of the annual consolidated turnover.
Above ₹20,000 Crore and up to ₹40,000 Crore	₹2,000 Crore + 5% of the turnover in excess of ₹20,000 Crore.
Above ₹40,000 Crore	₹3,000 Crore + 2.5% of the turnover in excess of ₹40,000 Crore, subject to an overall cap of ₹5,000 Crore.
**Note: 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 listed entity as per the last audited financial statements of the listed entity.*	

3.10. "Policy" means Related Party Transaction Policy.

3.11. "Related Party" shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations. Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term "Related Party".

3.12. "**Related Party Transaction"** means a transaction / contract/ agreement between the Company and a Related Party which transaction is of the nature specified in sub- clauses (a) to (g) of Section 188(1) of the Act or is a related party transaction as defined under Regulation 2(zc) read with Regulation 23 of the Listing Regulations but shall not include the following transactions:

i. 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;
ii. the following corporate actions which are uniformly applicable/offered to all shareholders in

proportion to their shareholding:

a. payment of dividend;
b. subdivision or consolidation of securities;
c. issuance of securities by way of a rights issue or a bonus issue; and
d. buy-back of securities.

iii. 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;

iv. 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;
(For the purpose of clauses (iii) and (iv) above, acceptance of deposits includes payment of interest thereon)

v. retail purchases from any listed entity or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.(*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))*.

3.13. "Relative" means relative as defined under the Section 2(77) of the Act or Rules made there under.

3.14. "Subsidiary" means a subsidiary as defined under sub-section (87) of section 2 of the Act.

Words and expressions used and not defined in this Policy but defined in the Listing Agreement with Stock Exchanges, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Act or the Accounting Standards issued under section 133 of the Act shall have the meanings respectively assigned to them in those Acts / Accounting Standards. In the event, such words or expressions are defined at more than one place, and then the meaning stricter of all should be assigned to them.

4. MATERIALITY THRESHOLDS

4.1. Regulation 23 of the SEBI Listing Regulations requires the Company to provide materiality thresholds for transactions beyond which prior approval of the shareholders' will be required by way of a resolution.

4.2. IIL has fixed its materiality thresholds at the level prescribed under explanation to Regulation 23(1) of the SEBI Listing Regulations as under:

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

4.2.2. In case of any other transaction, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

4.2.3. Further, Regulation 23 of the SEBI Listing Regulations provide that any subsequent material modifications to the terms of such transactions, as defined by the Audit Committee, shall also require shareholders' prior approval will be required by way of a resolution. Material modification shall be construed as one meeting the conditions as provided in point number 3.8 of this Policy.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

5.1 Identification of related parties

The Company shall identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations**.**

5.2 Identification of related party transactions

The Company shall identify related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Requirements. The Company shall determine whether the transaction is in the ordinary course of business and valued at arm's length pricing basis and for this purpose, the Company may seek external professional opinion, if necessary. While 'Ordinary Course of Business' (OCB) has not been defined in the Companies Act, 2013 and/or in SEBI Listing Regulations, 2015, OCB 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 if:

i. the Objects clause of Memorandum of Association of the Company permits such activity; or
ii. it is a historical practice and there is a pattern of frequency (and not an isolated transaction); or
iii. it has a connection with the normal business carried on by the Company; or
iv. the income, if any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence, is a 'business activity'; and
v. it is a common commercial practice.

5.3 Procedure for approval of related party transactions

5.3.1 Approval of the Audit Committee

5.3.1.1 All related party transactions and subsequent material modifications require prior approval of the Audit Committee.

5.3.1.2 Only Members of the Audit Committee, who are independent directors, shall approve related party transactions.

5.3.1.3 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 percent (10%) of the annual consolidated turnover, as per the last audited financial statements of the listed entity.

Further, with effect from April 1, 2023, 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 percent (10%) of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

5.3.1.4. The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

- The Audit Committee shall after seeking guidance of the Board of Directors, specify the criteria for granting the omnibus approval in line with this Policy which shall include the following, namely:

  - ✓ the name/s of the related party and its relationship with the company and/or its subsidiary, nature of transaction, period of transaction, maximum number of transactions, in aggregate, which shall be entered into in a year;
  - ✓ the maximum value per transaction which can be allowed;
  - ✓ the indicative base price/current contracted price and the formula for variation in the price, if any;
  - ✓ transactions which cannot be subject to the omnibus approval by the Audit Committee; and
  - ✓ Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company or its subsidiary pursuant to each omnibus approval made;

- ✓ such other conditions as the Audit Committee may deem fit.

- The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:

  - ✓ repetitiveness of the transactions (in past or in future).
  - ✓ justification for the need of omnibus approval

- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the best interest of the Company or its subsidiary, as may be applicable.

5.3.1.5. However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction.

5.3.1.6. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions and any material modifications thereto entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

5.3.1.7. Such omnibus approval shall be valid for a period not exceeding 1 financial year and shall require a fresh approval after expiry of such financial year.

5.3.1.8. A Related Party Transaction, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for consideration and ratification, within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, in the manner prescribed under Regulation 23(2)(f) of the SEBI Listing Regulations.

5.3.1.9. In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

- The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be Ten (10%) of the annual consolidated turnover of the company as per its last audited financial statements.
- The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in Clause 4 of the Policy.

5.3.1.10. For each category of transactions identified as per the Clause 5.2 of this policy, the Company has a specific framework and guidelines explaining the arm's length pricing criteria to be followed by the Company and/or the subsidiary, as may be applicable, while entering into transactions falling under contracts and agreements with related parties identified as per Clause 5.1 of this policy. The Company and/or the subsidiary, as may be applicable, while entering into RPTs will ensure adherence with the framework and guidelines and will maintain necessary documents for the same.

5.3.1.11. While seeking approval for a Related Party Transaction placed before the Audit Committee, the Audit Committee shall be provided with the information as required to be provided under the Act and the SEBI Listing Regulations.

5.3.1.12. The Board may consider the details as required to be provided under the Act and the SEBI Listing Regulations to the Audit Committee, in order to determine if the transaction is in the ordinary course of business and at arm's length pricing or not.

5.3.1.13. The requirement for seeking Audit Committee approval for related party transactions shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company. Furthermore, transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand will also be exempt.

5.3.1.14. Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions which are not valued on an arms' length pricing basis or not in the ordinary course of business.
- Transactions which are not repetitive in nature.
- Transactions exceeding materiality thresholds as laid down in Clause 4 of the Policy.
- Transactions in respect of selling or disposing of an undertaking of the Company.
- Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

5.3.2 <u>Approval of the Board of Directors of the Company</u>

5.3.2.1. As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length pricing basis, are placed before the Board for its approval.

5.3.2.2. In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down Clause 4 of the Policy and any subsequent Material Modification to a Material Related Party Transaction, which are intended to be placed before the shareholders for approval.

5.3.3 <u>Approval of the Shareholders of the Company</u>

5.3.3.1. All the transactions with related parties beyond the materiality thresholds, laid down in Clause 4 of the Policy, and any material modifications thereto as defined in Clause 3.8 will be placed before the shareholders for their approval.

5.3.3.2 The notice being sent to the shareholders seeking approval for any proposed related party transaction shall, include information as required under the Act and the SEBI Listing Regulations.

5.3.3.3 The omnibus shareholders' approval of material related party transactions approved in an annual general meeting shall be valid up to the date of the next annual general meeting for a period not exceeding fifteen months. Further in case of omnibus approval for material related party transactions, obtained from shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year.

5.3.3.4. All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.

5.3.3.5. For this purpose, no related party shall vote to approve the relevant resolution irrespective of whether the entity is a related party to the particular transaction or not.

5.3.3.6. Pursuant to Regulation 23(5)(b) of the SEBI Listing Regulations and Section 188(1) of the Act the requirement for seeking shareholders' approval shall not be applicable, inter alia, to:

- Transactions entered 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.

- Transactions 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.

- Above prior approval of the Shareholders shall not be required in cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the Listing Regulations are applicable to such listed subsidiary.

- Also, requirements for shareholders' approval shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the exchanges within one day of the resolution plan being approved.

6. DISCLOSURES

6.1. The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

6.2. In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 4 of the Policy above) on a quarterly basis to the stock exchanges along with the compliance report on corporate governance pursuant to Listing Regulations.

6.3. The Company shall submit within the timelines prescribed under Regulation 23(9) of the Listing Regulations, disclosures of related party transactions on a consolidated basis, in the format specified by SEBI from time to time and publish the same on its website. 6.4 As prescribed under Regulation 46(2)(g) of the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website viz. www.infra.co.in .

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

7.1 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 of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

7.2 In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

Amendment to the Policy approved by the Board of Directors on August 05, 2026.