

Policy on Related Party Transactions

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India InfraDebt Limited

INDEX

1. Background and Purpose.....	3
2. Definitions	3
3. Guiding Standards	5
4. Approval Process for Related Party Transactions	5
5. Reporting and Disclosure of related party transactions	8

Policy on Related Party Transactions – India Infradebt Limited

1. Background and Purpose

Section 188 of the Companies Act, 2013 ('Companies Act' or 'the Act') read with Companies Rules framed thereunder, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (RBI Master Direction) and Indian Accounting standards (IND AS) as notified by Ministry of Corporate Affairs and other statutes as may be made applicable provides compliance, approval and/ or reporting requirements regarding the related party transactions. Regulation 62K of SEBI LODR requires the listed companies to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

This policy aims to regulate transactions between India Infradebt Limited (Infradebt) and its related parties based on the applicable provisions of the Companies Act and its underlying Rules, SEBI LODR, RBI Master Direction and IND AS. It intends to define a framework for proper approval, threshold of materiality / material modification and reporting/disclosure of transactions between Infradebt and its related parties.

Accordingly, the Board of Directors (the Board) of Infradebt has adopted the following policy with regard to related party transactions. The Audit Committee of Infradebt will review this policy from time to time and propose any modifications to the Board for approval.

2. Definitions

(i) Act

"Act" means Companies Act, 2013 and the rules made thereunder, as may be amended from time to time.

(ii) Key Managerial Personnel (KMP)

"KMP" means such personnel(s) as defined in sub-section (51) of Section 2 of the Act.

(iii) SEBI LODR

"SEBI LODR" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including the relevant circulars issued by SEBI with respect to SEBI LODR), as may be amended from time to time.

(iv) Turnover

"Turnover" means turnover as defined under sub-section (91) of Section 2 of the Act.

Policy on Related Party Transactions – India Infradebt Limited

(v) Related Party

“Related Party” means a related party as defined under the Applicable Laws (the Act, SEBI LODR and applicable IND AS).

(vi) Related Party Transaction

Related Party Transaction means a transaction as given under Section 188 of the Act including rules thereof and/or as defined in Regulation 2(1)(zc) of the SEBI LODR and/or other applicable laws.

(vii) Material modification

Material modification means any modification, either individually or taken together with any previous modification, made in the nature, value/exposure, or other terms and conditions of any on-going 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 ₹ 500.0 million, whichever is higher, or by which the transaction ceases to be in ordinary course and/or on arms' length or such other parameter as may be determined by the Audit Committee from time to time.

Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.), or is of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties shall not be regarded as material modification.

(viii) Material Related Party Transaction

“Material Related Party Transactions” shall have the same meaning as defined under SEBI LODR, as may be amended from time to time.

Provided that the threshold for Material Related Party Transactions for the purpose of reporting of information under the Act (Form/E-form AOC-2) would be equivalent of the limits for the related party transactions as defined under Section 188 of the Act read with Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014 requiring shareholders' approval.

Any related/other term used in this Policy but not defined herein shall have the same meaning as defined in the Act, rules framed under the Act, SEBI LODR or any other applicable law or regulation.

3. Guiding Standards

(i) Arm's Length Transaction

As per the explanation given in Section 188 of the Act, 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.

In view of the above, a transaction with a related party will be considered to be on arm's length basis if the key terms, including pricing of the transaction, taken as a whole, are comparable with those of similar transactions if they would have been undertaken with unrelated parties.

(ii) Ordinary course of business

Ordinary Course of Business includes but not limited to activities that are undertaken in the normal day-to-day operations or related financial activities of Infradebt and are necessary and incidental to the business. These are common practices and customs of commercial transactions. It also includes usual transactions, customs and practices related to the business.

The following factors are indicative of a transaction being in the ordinary course of business:

- (i) transaction is normal or otherwise unremarkable for the business.
- (ii) transaction is frequent/regular.
- (iii) transaction is a source of income for the business.
- (iv) transactions that are part of the standard industry practice, even though Infradebt may not have done it in the past.
- (v) transactions covered in the Objects clause of Memorandum of Association.
- (vi) transactions done with a related party on a similar basis as of a third party.

These are not exhaustive criteria and Infradebt will have to assess each transaction considering its specific nature and circumstances.

The Audit Committee or the Board shall after considering the materials placed before them judge if the transaction is in the Ordinary Course of Business and on an Arm's Length Basis.

4. Approval Process for Related Party Transactions

(i) Prior approval of the Audit Committee of Infradebt

- a) All the related party transactions and subsequent material modification must be pre-approved by the Audit Committee before entering into such transaction in accordance with this Policy. The prior approval shall be at a meeting of Audit Committee or by way of resolution by circulation.

Policy on Related Party Transactions – India Infradebt Limited

Any Director having a potential interest in any related party transactions will not be present at the Meeting during discussions and voting on the approval of the related party transactions.

- b) The Audit Committee may grant omnibus approval for related party transactions (non-material transactions) proposed to be entered into by Infradebt subject to criteria/conditions as required under Regulation 62K of SEBI LODR and the Act and such other conditions as it may consider necessary in line with this Policy and in the interest of Infradebt.

Further, where the need for RPTs cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions provided that value of each such transaction shall not exceed ₹ 10.0 million.

Omnibus approval shall be valid for a period not exceeding one financial year. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of Infradebt.

- c) Infradebt shall provide the information as per the below circulars, for review of the Audit Committee for approval of a proposed related party transaction:-

- **For RPTs approved/reviewed by Audit Committee before September 1, 2025:** The disclosures in relation to Related Party Transactions shall be as per the SEBI Circular dated November 22, 2021.
- **For RPTs approved/reviewed by Audit Committee effective September 1, 2025:** The disclosures in relation to Related Party Transactions shall be as per the SEBI Circular dated February 14, 2025 and as per the format specified in the RPT Industry Standards issued by Industry Standards Forum.

As per proviso to Regulation 62K(3) of SEBI LODR, only those members of the audit committee who are independent directors, shall approve related party transactions.

(ii) Prior approval of the Board of Directors of Infradebt

Upon approval by the Audit Committee, Related Party Transactions, which are either not in the Ordinary Course of Business and/or not at the Arms' Length Basis (transactions prescribed under Section 188 of the Act) or Material Related Party Transactions or subsequent material modification or related party transactions referred by the Audit Committee, require prior approval of the Board (either at a meeting or by way of resolution by circulation).

Any Director having a potential interest in any related party transactions will not be present at the Meeting during discussions and voting on the approval of the related party transactions.

Policy on Related Party Transactions – India Infradebt Limited

(iii) Prior approval of the Debenture holders of Infradebt

A prior No-Objection Certificate (NOC) from the Debenture Trustee for all material related party transactions and subsequent material modification as defined by the Audit Committee shall be obtained. The Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Company and hold atleast more than fifty percent of the debentures in value, on the basis of voting including e-voting.

This NOC from Debenture Trustee and Debenture holders shall be obtained in respect of listed debt securities issued on or after April 1, 2025.

(iv) Prior approval of the Shareholders of Infradebt

Upon approval by the Audit Committee, Board and Debenture holders, all material related party transactions and subsequent material modification shall require prior approval of the Shareholders through ordinary resolution.

The explanatory statement contained in the notice being sent to the Shareholders seeking approval for any proposed related party transaction shall, in addition to the requirements under The Companies Act, 2013 reviewed by Audit Committee shall include following:

- The disclosures in relation to Related Party Transactions shall be as per the SEBI Circular dated November 22, 2021 (for RPTs approved by the Shareholders before September 1, 2025).
- The disclosures in relation to Related Party Transactions shall be as per the SEBI Circular dated February 14, 2025 and as per the format specified in the RPT Industry Standards issued by Industry Standards Forum (for RPTs approved by the Shareholders effective September 1, 2025). [Note: If a Material RPT is approved by Audit Committee before September 1, 2025, the RPT Industry Standards shall not apply, irrespective of whether the notice to shareholders is sent either before or on or after September 1, 2025.]

The approval policy framework is given below:

Audit Committee approval	Board approval	Debenture holders approval	Shareholders approval
<ul style="list-style-type: none">• Prior approval of all Related Party Transactions (including Omnibus	<ul style="list-style-type: none">• Related Party Transactions referred by Audit Committee for approval of the	For all material related party transactions and subsequent	Prior approval by Ordinary resolution for: (a) Material Related Party Transactions

Policy on Related Party Transactions – India Infradebt Limited

Audit Committee approval	Board approval	Debenture holders approval	Shareholders approval
approval) and subsequent material modifications except items mentioned as proviso to Regulation 2(1)(zc) of SEBI LODR.	Board. • Related Party Transactions not in the ordinary course of business and/or not at arm's length basis (transactions prescribed under Section 188 of the Act) or Material Related Party Transactions or subsequent material modification.	material modifications as defined by the Audit Committee. Prior No-Objection Certificate from the Debenture Trustee and the Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Issuer and hold at least more than fifty percent of the debentures in value, on the basis of voting including e-voting.	and subsequent Material Modification. (b) Related Party Transactions prescribed under Section 188 of the Act and not in ordinary course of business and/or not at arm's length basis and crosses prescribed threshold limit in the Act.

5. Reporting and Disclosure of related party transactions

Following related party transactions are to be reported and disclosed:

- As per Regulation 62K(4) of SEBI LODR, the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by Infradebt pursuant to each of the omnibus approvals given.
- Infradebt shall submit disclosures of related party transactions to the stock exchange alongwith the financial results for the half year on a standalone basis, in the format specified by the SEBI, from time to time, and publish the same on its website.

Policy on Related Party Transactions – India Infradebt Limited

- Infradebt shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.
- Infradebt shall disclose details of all material related party transactions (as per definition 2(viii) of this Policy) in the Annual Report.
- Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

In case of any amendments and/or clarifications, etc. in regulatory provisions, not being consistent with the provisions laid down under this Policy, then such amendments and/or clarifications, etc shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendments and/or clarifications, etc.

In case of any conflict of interpretation between the Policy and any Regulation, Rule, Notification, Circular, Master Circular, Directions, Guidelines, Directions, etc., then the interpretation of the regulatory provisions shall prevail.