AGI INFRA LIMITED

Related Party Transactions Policy

1) Scope and purpose of the Policy

1.1 This policy on Related Party Transactions (hereinafter referred to as "**RPT Policy"** or **"Policy"**) of The AGI Infra Limited (**"the Company"**) is framed considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("the **Act**") read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (**"SEBI LODR"**) including SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulation 2021, SEBI LODR (Third Amendment) Regulations, 2024 and the Industry Standards specified by SEBI. AGI Infra Limited has formulated the RPT policy and guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

1.2 Also, Regulation 23(1) of the SEBI LODR requires a company to formulate a policy on materiality of Related Party Transactions **("RPTs"**) and dealing with RPTs. Regulation 23(2) of the SEBI LODR also requires defining material modifications of RPTs and disclose it as part of the RPT policy.

1.3 This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee of Directors (Audit Committee) of the Company. Going forward, the Audit Committee would review and amend the RPT Policy, as and when required, subject to the approval of the Board. In addition to the above, this Policy shall be reviewed by the Board of Directors at least once in three years.

2) Objective of the Policy

2.1 The objective of this Policy is to set out (a) the manner of dealing with the transactions between the Company or its subsidiaries, wherever applicable, and its related parties and (b) the materiality thresholds for RPTs, based on the Act, SEBI LODR and any other statute as may be applicable to the Company.

3) Definitions

3.1 **"Act"** means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force.

3.2 "**Applicable Law(s)**" includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.

3.3 **"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.

3.4 **"Material Related Party Transaction(s)"** 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, exceeds 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a related party for brand usage or royalty, it will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.5 "**Material Modification(s)**" means and include any modification to an existing RPTs, in aggregate with a related party, having variance of 25% in value of the transaction already approved by the Audit

Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee.

3.6 **"Ordinary course of business"** 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 as per its Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

3.7 **"Related Party"** means a related party as defined under sub-section (76) of section 2 of the Act 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 Act, at any time, during the immediate preceding financial year;
shall be deemed to be a related party:"

3.8 **"Related Party Transaction(s)"** shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1)(zc) of the SEBI LODR, as amended and shall mean a transaction involving a transfer of resources, services or obligations between:

a. the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand;
b. the Company 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 Company or any of its subsidiaries with effect from April 1, 2023,

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.

Following shall not be considered RPTs in terms of SEBI LODR:

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 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) Retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

3.9 **"SEBI LODR"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.10 **"Senior management"** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

3.11 "**Industry Standards**" shall mean the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" as notified by SEBI vide its circular dated February 14, 2025, as amended from time to time.

4) Manner of dealing with Related Party Transactions and materiality thresholds

a) Identification of related parties

i. The Company shall identify related parties as per the definition provided in the Act and SEBI LODR.
ii. The Company shall obtain the list of related parties of its Subsidiary companies as per the definition provided in the Act and SEBI LODR.
iii. The Company shall regularly verify and update the Related Party List and review and confirm (at least once a quarter) in accordance with the Act and SEBI LODR.

b) Identification of related party transactions

As a policy, AGI Infra Limited will identify the RPTs as per the applicable laws, which require consent of the Audit Committee, Board of Directors and shareholders, as the case may be. Currently, AGI Infra Limited has identified the RPTs and subsequently categorized them into broad categories
e.g. Contract and arrangement relating to procurement of goods and availment of services, providing of Corporate Guarantees, etc.

Any other RPT identified during the periodic review not covered under any specific broad category shall be independently reviewed, approved and included for confirmation as a part of Related Party Policy mechanism.

AGI Infra Limited shall report the transactions of aforementioned category entered into with related parties identified as per Clause 4(a) of this RPT Policy and put the same for necessary approvals required as per the applicable law.

c) Materiality Thresholds

The Board of the Company has prescribed the below materiality thresholds for RPTs beyond which approval of the shareholders through a resolution shall be required:

A. As per SEBI LODR:

i. Any transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or ₹ 1,000 crore, whichever is lower.

ii. 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 5% of the annual consolidated turnover of Company as per the last audited financial statements of Company.

B. As per the Act:

RPTs falling under Section 188(1) of the Act read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended from time to time and exceed limits provided under the said rules.

d) Procedure for approval of Related Party transactions

1. Approval of the Audit Committee:

i) Prior approval of the Audit Committee is required for:

a. All RPTs, any modification to the transaction with Related Parties as per the provisions of the Act, and subsequent material modifications to the transaction with Related Parties as per the provisions of the SEBI LODR.

b. A RPT to which the subsidiary of a Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company.

c. With effect from April 1, 2023, an RPT to which the subsidiary of a Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary company. Audit Committee may also grant omnibus approval for such transactions.

d. With effect from April 1, 2023, the Company 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 Company or any of its subsidiaries.

ii) Prior approval of the Audit Committee shall not be required for:

a. RPTs, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.

b. RPTs of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the Audit Committee of the listed subsidiary is obtained.

c. RPT or subsequent material modifications of RPT (other than those RPT stipulated under Section 188 of the Act) entered into 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.

d. RPT entered into 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.

e. RPTs in the nature of remuneration and sitting fees paid by the Company 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.

f. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and Central Government or State Government or any combination thereof on the other hand.

iii) Members of the Audit Committee, who are independent directors, shall only approve RPTs.

iv) The Company may obtain omnibus approval from the Audit Committee for RPTs where the Company is a party. Omnibus approval from the Audit Committee can also be granted in case the transactions are entered between subsidiaries and other related parties, where the Company is not a party to the transaction subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the SEBI LODR including the following:

- The Audit Committee shall lay down the criteria/Framework and Guidelines for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature (either in the past or in the future);

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

- The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions, in aggregate, that can be entered into in a year, maximum value per transaction which can be allowed, maximum value of transaction during the year (ii) the indicative base price / current contracted price and the formula for variation in the price if any, (iii) transactions which cannot be subject to the omnibus approval by the Audit Committee and (iv) such other conditions as the Audit Committee may deem fit.

  Provided that where the need for RPT cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction;

- The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiaries pursuant to each of the omnibus approvals given;

- Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

v) For each category of transaction identified as per the Clause 4(b) of this policy, the Company has framed specific Framework and Guidelines explaining the arm's length criteria to be followed by the Company while entering into transactions falling under contracts and agreements with related parties identified as per Clause 4(a) of this policy. The Company, while entering into RPTs will ensure adherence with the Framework and Guidelines and will maintain necessary documents for the same.

vi) While assessing a proposal put up before the Audit Committee for approval, the Audit Committee shall review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- ✓ Type, nature, material terms and particulars of the proposed transaction;
- ✓ Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- ✓ Tenure of the proposed transaction (particular tenure shall be specified);
- ✓ Value of the proposed transaction;
- ✓ The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- ✓ If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  i. details of the source of funds in connection with the proposed transaction;
  ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
     - nature of indebtedness;
     - cost of funds; and
     - tenure;
  iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.

- ✓ Justification as to why the RPT is in the interest of the Company;
- ✓ A copy of the valuation or other external party report, if any such report has been relied upon;
- ✓ Minimum Information to be placed before the Audit Committee as required under the Industry Standards; and
- ✓ Any other relevant information or such information as may be prescribed under SEBI LODR.

vii) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

viii) In case of transactions, other than transactions referred to in Section 188 of the Act and where the Audit Committee does not approve any transaction, it shall make its recommendation to the Board.

2. Approval of the Board of Directors of the Company

i) As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section, which are not in the ordinary course of business or at arm's length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether an RPT is in the ordinary course of business and/ or at arms' length.

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

- o Transactions which may be in the ordinary course of business and at arm's length basis, but which, 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;
- o 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;
- o 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.
- o Material RPTs and subsequent material modifications to such transactions, which are intended to be placed before the shareholders for approval.

iii) Where any director is interested in any contract or arrangement with a related party, such director shall not participate during discussions and vote on the subject matter of the resolution related to such contract or arrangement.

3. Approval of the Shareholders of the Company

i) All the Material RPTs, any modification to the transaction with Related Parties as per the provisions of the Act, and subsequent material modifications to the transaction with Related Parties as per the provisions of the SEBI LODR, are placed before the shareholders for approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or are not at arm's length basis; and (b) exceed the thresholds laid down in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall be placed before the shareholders for approval.

ii) The requirement for seeking Shareholders' approval shall not be applicable for the following cases:

- Transactions between the Company and its wholly-owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- Transactions entered into between the 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.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and Central Government or State Government or any combination thereof on the other hand.
- Transactions in respect of resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

iii) No related party shall vote to approve such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

iv) The following information shall be provided to the shareholders while seeking their approval for RPTs:

i) A summary of the information provided by the management of the Company to the audit committee
ii) Reasons/justification for why the proposed transaction is in the interest of the Company;
iii) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under:
    i. details of the source of funds in connection with the proposed transaction;
    ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
        - nature of indebtedness;
        - cost of funds; and
        - tenure;
    iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
    iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
iv) A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
v) The Company shall provide the information as may be specified by SEBI from time to time, including the information pursuant to the Industry Standards, to the shareholders in the in the notice / explanatory statement for approval of the proposed RPT: and
vi) Any other relevant information or such information as may be prescribed under SEBI LODR.

5. Ordinary Course of Business

The Framework and Guidelines shall provide for determining whether transactions are in the ordinary course of business.

6. Disclosure and Reporting

6.1 Details of the RPTs during the quarter shall be disclosed in the Audit Committee and Board meeting.

6.2 The Company shall disclose to the Stock Exchanges along with the compliance report on corporate governance on a quarterly basis, details of all material RPTs with related parties. In addition, the Company shall also submit to the stock exchanges disclosures of RPTs in the format as specified by the SEBI from time to time, and publish the same on its website in accordance with the SEBI LODR.

6.3 The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI LODR, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee, as the case maybe.

6.4 The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI LODR, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.

6.5 Board's Report shall contain details of RPTs as required under applicable law.

6.6 This Policy shall be communicated to all concerned employees and other persons of the Company at all locations for implementation and reporting.

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 RPTs, 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 RPTs 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 Further, in case any transaction (not being a specified transaction under the Act between the Company and its wholly owned subsidiary) involving any amount not exceeding ₹ 1 crore is entered into by a Director or Officer of the Company without obtaining the approval of the Audit Committee and which is not ratified by the Audit Committee within 3 months from the date of the transaction, such transaction will be voidable at the option of the Audit Committee, and if the transaction is with a related party to any Director or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.

7.3 Audit Committee may, within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, ratify the transaction subject to the following conditions:

i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
ii. the transaction is not material;
iii. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
iv. the details of ratification shall be disclosed to the stock exchanges along with the half-yearly report;
v. any other condition as specified by the Audit Committee.

7.4 In any case, where the Audit Committee determines not to ratify a RPT 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. If the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it. In connection with any review/approval of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

7.5 Further, if any contract / arrangement is entered into by a Director or any other employee without obtaining the consent of the Board / shareholders (by a Resolution) under Section 188(1) of the Act, and if it is not ratified by the Board / shareholders, as the case may be, within 3 months from the date on which such contract / arrangement was entered into, such contract / arrangement shall be voidable at the option of the Board / shareholders, as the case may be, and if the contract / arrangement is with

a related party to any Director, or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.

7.6 Without prejudice to anything contained in Section 188(3) of the Act, it shall be open to the Company to proceed against a Director or any other employee who has entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract / arrangement.

8. Amendments

8.1 The Board may subject to applicable laws, amend any provisions(s) or substitute any of the provisions(s) with the new provision(s) or replace the RPT Policy entirely with a new policy. The RPT Policy is subject to review from time to time.

8.2 In the event of any conflict between the provisions of this RPT Policy and applicable laws, the provisions of such applicable laws shall prevail over this Policy.

This Policy is amended and approved by the Board on and effective from May 29, 2025