

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the “Board”) of Texmaco Infrastructure & Holdings Limited (the “Company” or TEXINFRA”), has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee of the Company shall review this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions

“**Act**” means the Companies Act, 2013 and rules framed thereunder including any amendment or modification thereof.

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement, Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined under the Companies Act, 2013 and includes Executive Chairperson of the Company.

“Material Related Party Transaction” means a transaction as defined in the Listing Agreement entered by the Company with Stock Exchange(s) including any amendment or modification thereof.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the Company if:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) Such entity is a related party under the applicable accounting standards.

“Related Party Transaction” -

- a) In accordance with Clause 49 of the Listing Agreement, it means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged.
- b) In accordance with the Companies Act, 2013, Related Party Transactions includes the following transactions between related parties:-
 - a. Sale, Purchase or supply of any goods or materials;
 - b. Selling or otherwise disposing of, or buying, property of any kind;
 - c. Leasing of property of any kind;
 - d. Availing or rendering of any services;
 - e. Appointment of any agent for purchase or sale of goods, materials, services or property;
 - f. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - g. Underwriting the subscription of any securities or derivatives thereof of the company

“Relatives” shall have the same meaning as defined under Companies Act, 2013.”

“Significant Influence” means control of at least 20% of the total share capital or of business decisions under an agreement.

“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.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

4. Manner of dealing with Related Party Transactions:

4.1 Identification of Potential Related Party Transactions with Directors / KMP

Each director and Key Managerial Personnel is responsible for providing notice to the Board 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. Functional / Business Head / Finance General Manager will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transactions including any additional information about the transaction that the Board / Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.2 Approval of Related Party Transactions by Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee. However, 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 **Rs.1 crore** per transaction. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Further, all Material Related Party Transactions shall require approval of the Members in terms of Act and Listing Agreement and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

4.3 Approval of Related Party Transactions by the Board of Directors of the Company

Transactions specified under the Section 188 of the Act, which are either not in the ordinary course of business or not of arm's length basis and material related party transactions shall be placed before the Board for its approval.

4.4 Approval of the Shareholders of the Company

Transactions specified under Section 188 of the Act and all beyond prescribed threshold defined therein, the material Related Party Transactions with related parties as laid down in the Policy shall require Members' approval.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The 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 Committee shall also examine the facts and circumstances pertaining to the

failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

6. AMENDMENT

The Company reserves its rights to amend or modify this policy in whole or in part, at any time without assigning its reason whatsoever.