



INOX India Limited

Policy on Related Party Transactions

Table of Contents

1. Objective	3
2. Definitions	3
3. Procedures for review and approval of Related Party Transactions (RPT).....	5
4. Related Party Transactions not approved under this Policy	7
5. Information for Review	8
6. Determination of Ordinary Course of Business	8
7. Determination of Arms' length nature of the Related Party Transaction.....	9
8. Identification of Potential Related Party Transactions	9
9. Disclosures	10
10. Review of The Policy	10

Objective

- 1.1 This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.
- 1.2 The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions (“RPTs”) in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

2. Definitions

- 2.1 “**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.
- 2.2 “**Audit Committee**” means Committee of Board of Directors of the Company constituted under provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR)”) and Companies Act, 2013.
- 2.3 “**Board**” means Board of Directors of the Company.
- 2.4 “**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 2.5 “**Industry Standards**” shall mean Industry Standards prescribed by the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII, FICCI and approved by SEBI on Minimum Information to be provided to Audit Committee & Shareholders for approval of Related Party Transactions.
- 2.6 “**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes:
 - a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
 - b) Company Secretary; and
 - c) Chief Financial Officer
 - d) Any other officer as may be appointed by the Board
- 2.7 “**Material Modification**” in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is a variance in the per annum value of the relevant related party transaction / contract / arrangement by 25% or Rupees 10 crore, whichever is lower.
- 2.8 “**Material Related Party Transaction**” means transaction(s) to be entered into individually or taken together with previous transactions during a financial year that exceeds:-
 - a) 10% of the Networth in case selling/disposing/buying property or appointing agent for same;
 - b) For brand usage or royalty, if exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements; or
 - c) if the Transaction exceeds scale based threshold limits.

2.9 “**Minimum Information**” shall mean minimum information to be placed before Audit Committee/Shareholders for approving Related Party Transactions, in the format as prescribed by:

- a) ISF in case of transactions exceeding 1% of the annual consolidated turnover of the Company or Rs. 10 crore, whichever is lower or
- b) SEBI in case of transactions having value less than 1% of the annual consolidated turnover of the Company or Rs. 10 crore, whichever is lower.

2.10 “**Policy**” means Related Party Transaction Policy.

2.11 “**Related Party**” means related party as defined in Regulation 2(1)(zb) of the SEBI (LODR) which is as follows: An entity shall be considered as related to the Company if:

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

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the Company; or
- b) any person or any entity, holding equity shares of ten per cent or more in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

2.12 “**Relative**” means relative as defined under the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.

2.13 “**Related Party Transaction**” means a transaction involving a transfer of resources, services or obligations between:

- a) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- b) a listed entity 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 listed entity or any of its subsidiaries,

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, including but not limited to the following –

- 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) appointment to any office or place of profit in the company
- g) underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered as related party transactions:

- 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 by the listed entity 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) 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.
- d) 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:
- e) Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- f) retail purchases from any listed entity 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.

2.14 **“Scale Based Threshold”**, for determining material Related Party Transactions calculated on the basis of the annual consolidated turnover of the Company as per last audited financial statements for the approval by shareholders of the Company, shall be as follows:

Annual Consolidated Turnover of the Company	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,001 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crore, whichever is lower.

2.15 **“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 persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

3. Procedures for review and approval of Related Party Transactions (RPT)

3.1 All Related Party Transactions or any subsequent modification(s)/changes therein must be reported by the Chief Financial Officer, Head of Accounts Department, to the Compliance Officer and referred for prior approval by the Audit Committee in accordance with this Policy.

3.2 In terms of Regulation 23 of the SEBI Listing Regulations, all related party transactions and subsequent material modifications shall require prior approval of the audit committee. Only those members of the audit committee, who are independent directors, shall approve related party transactions.

- 3.3 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 Rs. 1 crore and the transaction value is more than the lower of the following:
- 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or
 - the threshold for material related party transactions of listed entity as specified in Schedule XII of these SEBI Listing Regulations

Note: The above threshold is applicable only in cases wherein audited financial statements of the subsidiary are available for at least one year.

- 3.4 In case the audited financial statements of the subsidiary are not available, 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 Rs. 1 crore and the transaction value is more than the lower of the following:
- ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary
 - the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

For the purpose of calculating the aggregate value of paid-up share capital and securities premium, the same shall be considered as on a date which falls within 3 months prior to the date of seeking approval.

- 3.5 The Audit Committee, on the basis of information provided to it as per the Industry Standards, will undertake an evaluation of the Related Party Transaction(s). If that evaluation indicates that the Related Party Transaction(s) would require the approval of the Board, or if the Board in any case elects to review any such matter, the Audit Committee will report the Related Party Transaction(s), together with a summary of material facts, to the Board for its approval.
- 3.6 If the Board is of the view that the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of a resolution pursuant to Companies Act, 2013 or SEBI (LODR) and any other applicable law, the same shall be put up for approval by the shareholders of the Company.
- 3.7 Further, all Material Related Party Transactions and any material modifications thereto shall require prior approval of the shareholders through resolution and all entities falling under the definition of Related Parties shall not vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- 3.8 If prior approval of the Audit Committee / Board / general meeting for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee and the Board / general meeting, if required, within 3 months of entering into the Related Party Transaction.
- 3.9 In any case where either the Audit Committee/ Board / general meeting determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board or the general meeting, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation of the transactions, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee/ Board has authority to modify or waive any procedural requirements of this Policy.
- 3.10 In determining whether to approve or ratify a Related Party Transaction, the Audit Committee/ Board will take into account, among other factors if it deems appropriate, whether the Related Party Transaction is at arm's length i.e on

term no less favourable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.

- 3.11 No Director or Key Managerial Personnel or Senior Management shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the Director / Key Managerial Personnel or Senior Management shall provide all material information concerning the Related Party Transaction to the Audit Committee/ Board as the case may require.

If a Related Party Transaction is ongoing, the Audit Committee may establish guidelines for granting the omnibus approval for transactions proposed to be entered into by the Company or its subsidiaries in line with the policy on Related Party Transactions of the Company and such approval shall be in respect of transactions which are repetitive in nature.

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

- 3.13 The omnibus approval shall specify (i) the name/s of the related party, nature of transaction(s), period of transaction(s), maximum amount of transaction(s) 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.

- 3.14 Thereafter, the Audit Committee, shall review at least on a quarterly basis, the details of RTPs entered into by the Company or its subsidiaries pursuant to each of the omnibus approval given.

- 3.15 The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

- 3.16 In addition, the Audit Committee/ the Board may review any Related Party Transactions involving independent directors as part of the annual determination of their independence.

- 3.17 Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

4. Related Party Transactions not approved under this Policy

- 4.1 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 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.

- 4.2 In case, the Committee determines to ratify the Related Party Transaction then same may be ratified by the Independent Directors of the Audit Committee within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- a) 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;
- b) the transaction is not material in terms of this Policy;

- c) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- d) any other condition as specified by the Audit Committee.

4.3 In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without its approval, the Committee, as deems 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.

5. Information for Review

5.1 A Related Party Transaction reviewed under this Policy will be considered approved or ratified if it is authorised by the Audit Committee/Board, as applicable, after full disclosure of the Related Party transaction as per the minimum information placed in accordance with ISF/SEBI as may be applicable.

5.2 The Audit Committee/Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee/Board, as applicable, may approve/ ratify/ recommend to the shareholders, the Related Party Transaction only if the Audit Committee/Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee/ Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

6. Determination of Ordinary Course of Business

6.1 “In the Ordinary Course of Business” would include transactions which are entered into in the normal course of the business pursuant to or for promoting or in furtherance of the Company’s business objectives, as per the charter documents of the Company.

6.2 To decide whether a transaction which is carried on by the Company is in the ‘ordinary course of business’, the following factors may be considered:

- a) Whether the transaction is covered in the objects clause of the Memorandum of Association;
- b) Whether the transaction is in furtherance of the business;
- c) Whether the transaction is normal or otherwise routine for the particular business (i.e. activities like advertising, staff training, etc.);
- d) Whether the transaction is repetitive/frequent;
- e) Whether the income, if any, earned from such activity/transaction is treated as business income in the company’s books of account;
- f) Whether the transactions are common in the particular industry;
- g) Whether there is any historical practice to conduct such activities/transactions;
- h) The financial scale of the activity with regard to the operations of the business;
- i) Revenue generated by the activity;
- j) Resources committed to the activity

In other words, any activity which is routine and in accordance with the usual customs and practices of a particular business can be described to be ‘in the ordinary course of business’. For a company, the interpretation needs to be contextual, taking into account the nature of the activity and its relevance in the overall context of the Company’s businesses.

7. Determination of Arms' length nature of the Related Party Transaction

7.1 Price Determination - At the time of determination, the arms' length nature of price charged for the Related Party Transaction, the Audit Committee shall take into consideration the following:

- a) Permissible methods of arms' length pricing as per Applicable Law including such prices where the benefits of safe harbour is available under Applicable Law.
- b) For the said purposes the Audit Committee shall be entitled to rely on professional opinion in this regard.

7.2 Underwriting and Screening of arms' length Related Party Transaction

- a) A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening /selection criteria/ underwriting standards and procedures as may be applicable in case of an unaffiliated party.
- b) The Chief Financial Officer shall produce evidence to the satisfaction of the Audit Committee for having applied the said procedure.

7.3 The requirement of audit committee and board approval shall not apply to any transactions entered into by the company on arm's length basis which is in the ordinary course of business.

8. Identification of Potential Related Party Transactions

8.1 Each Director/Key Managerial Personnel/Senior Management is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Compliance Officer may reasonably request. The Compliance Officer in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

8.2 Every Director/Key Managerial Personnel/Senior Management of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.

8.3 Where any Director/Key Managerial Personnel/Senior Management, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.

8.4 A contract or arrangement entered into by the company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

8.5 The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Compliance Officer has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances.

- 8.6 Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:
- a) Transactions 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.
 - b) Transactions 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.
 - c) 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.
 - d) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel, Senior Management in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
 - e) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
 - f) 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, provided that the same is not considered material by the management.

9. Disclosures

- 9.1 The Related Party Transactions and the details of ratification, if any, shall be disclosed to such persons and governmental and / or regulatory authorities, in the manner prescribed, if required, under the Companies Act, 2013 / SEBI (LODR).
- 9.2 The Company is required to disclose Related Party Transactions in the Company's Board's Report to shareholders of the Company at the Annual General Meeting.
- 9.3 Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the SEBI (LODR).
- 9.4 The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.
- 9.5 The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party.
- 9.6 This Policy shall be communicated to all operational employees and other concerned persons of the Company.

10. Review of The Policy

- 10.1 The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and at least once in three years and appropriate recommendations shall be made to the Board to update this policy based on the changes that may be brought due to any regulatory amendments or otherwise.

Policy originally approved by the Board of Directors in its meeting held on 16th July, 2022.

Amendment to the Policy approved by the Board of Directors on 12th February, 2026.

Effective Date: 12th February, 2026