



**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS
AND
ON DEALING WITH RELATED PARTY TRANSACTIONS**

Industrial Investment Trust Limited

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Approved By:	Board of Directors

The Company shall adhere to the principles and guidelines specified in the policy below for recognition, measurement and disclosure of Related Party Transactions.

1. PREAMBLE

The Board of Directors (“the Board”) of Industrial Investment Trust Limited (the “Company or “IITL), has adopted the following Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions (“Policy”).

The Policy envisages the framework, approval mechanism, governance structure, and disclosure requirements governing Related Party Transactions to ensure compliance with applicable statutory and regulatory provisions.

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 to the Company.

2. OBJECTIVE

- i. This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”), Industry Standards on Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions (“Industry Standards”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.
- ii. The Policy is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties. The provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to accord fairness in the treatment of Related Party Transactions.
- iii. This policy has been also framed in order to comply with the RBI’s Scale Based Regulation (SBR) framework, as amended from time to time.
- iv. Related Party Transactions are considered appropriate only if they are in the best interests of the Company and its Shareholders. The Company will be required to disclose each year in the Financial Statements and in the Annual Report transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. **SCOPE**

During the course of its business, the Company may enter into transactions with various entities. Some of the transactions are qualify to be 'Related Party Transactions' as per the Act, RBI Regulations, SEBI Act and Regulations made thereunder, Indian Accounting Standards on Related Party Disclosures (IND AS 24), as notified by the Companies (Indian Accounting Standards) Rules, 2015 and amendment thereto. Such transactions will required to be disclosed in the annual reports or such other reports of the Company, as prescribed therein.

This policy shall be applied in:

1. Identifying related party transactions;
2. Ascertaining whether the transactions entered with the related parties are in 'ordinary course of business' and at 'arm's length basis';
3. Obtaining requisite approvals in relation to any Related Party Transaction(s);
4. Determining the disclosures / compliances to be adhered in relation to the Related Party Transaction(s).

4. **DEFINITIONS**

i. **Associate Company- Section 2(6)**

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

For the purposes of this clause, (a) “**significant influence**” means control of **at least twenty per cent.** of total voting power, or control of or participation in business decisions under an agreement; (b) he expression “**Joint Venture**” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

ii. **“Audit Committee or Committee” - Section 177**

Audit Committee or Committee means Committee of Board of Directors of the Company constituted under provisions of Section 177 of Companies Act, 2013 and as per Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for audit related purpose.

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

iv. **“Companies Act, 2013”** means the Companies Act, 2013 read with the Rules framed thereunder [including any modification(s) / amendment(s) / re-enactment(s) thereof].

- v. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as per Companies Act, 2013.

vi. **Holding Company – Section 2 (46)**

In relation to one or more other companies, means a company of which such companies are subsidiary companies.

vii. **Key Managerial Personnel - Section 2 (51)**

In relation to a company means:

- the Chief Executive Officer (CEO) ~~and~~ or the Managing Director (MD) or the Manager;
- the Company Secretary (CS);
- the Whole- time Director (WTD);
- the Chief Financial Officer (CFO);
- such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- Such other officer as prescribed under the Companies Act from time to time.

viii. **Manager - Section 2(53)**

An individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director and any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.

ix. **Material Modifications**

In relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modification in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.

x. **Net Worth - Section 2(57)**

The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the

audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

xi. Ordinary Course of Business

Ordinary course of business shall include the usual transactions, customs and practices of the company, or transactions permitted by the Object Clause in the Memorandum of Association of the Company, or transactions that are considered while computing the business income / revenue / turnover of the Company as opposed to “income from other sources”.

xii. Policy

Policy means this Related Party Transactions Policy

xiii. Related Party Transaction

Related Party Transaction means as defined under Regulation 2(1) (zc) of SEBI LODR, as amended from time to time.

A related party transaction means a transaction involving a transfer of resources, services or obligations between:

- (i) 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
- (ii) 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, 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:

Provided that the following shall not be a related party transaction:

- (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:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- (e) 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);

xiv. Material Related Party Transaction

a. Under Regulation 23 read with Schedule XII of Listing Regulations:

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, exceeds the following threshold limits prescribed under Schedule XII of the SEBI (LODR) Regulations, 2015, and as amended from time to time:

Consolidated Turnover	Materiality Threshold
Upto Rs. 20,000 Crores	10% of the annual consolidated turnover
More than Rs. 20,000 Crores to upto Rs. 40,000 Crores	Rs. 2,000 Crores + 5% of the annual consolidated turnover above Rs. 20,000 Crores
More than Rs. 40,000 Crores	Rs. 3,000 Crores + 2.5% of the annual consolidated turnover above Rs. 40,000 Crores or Rs. 5000 Crores, whichever is lower

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

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.

b. Under the Act:

	Transaction or contract or arrangements for	Limits for the time being in force * [As per Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014]
1	Sale, purchases or supply of any goods or materials, services or property, directly or through appointment of agent	For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year amounting to ten percent or more of the turnover of the Company.
2	Selling or otherwise disposing of, or buying services or property of any kind, directly or through appointment of agent	For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year amounting to ten percent or more of net worth of the Company.
3	Leasing of property of any kind	For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year amounting to ten percent or more of the turnover of the Company.
4	Availing or rendering of any services, directly or through appointment of agent	For the transaction or transactions to be entered in to either individually or taken together with the previous transactions during a financial year amounting to ten percent or more of the turnover of the Company.
5	For appointment to any office or place of profit in the Company, its Subsidiary or Associate Company	Where monthly remuneration exceeds Rs.2,50,000
6	Remuneration for the underwriting of any securities or derivatives thereof, of the company	For amount exceeding 1% of Net Worth of the Company
	* shall be considered as amended from time to time in line with the amendment in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 by the Central Government. Annual Turnover and Net Worth referred above is computed as per audited Financial Statement for the preceding financial year	

xv. Related Party

Related Party means related party as defined under sub-section 76 of Section 2 of Companies Act, 2013 and Regulation 2(1) (zb) of SEBI LODR, as amended from time to time, or under applicable accounting standards.

A 'related party' is a person or entity that is related to the Company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1) A person or a close member of that person's family is related to a company if that person:

I. is a related party under Section 2(76) of the Companies Act, 2013 which are as follows:

- i. a director or his relative;
- ii. a key managerial personnel or his relative;
- iii. a firm, in which a director, manager or his relative is a partner;
- iv. a private company in which a director or manager or his relative is a member or director;
- v. a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital ;
- vi. any body corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager ;
- vii. any person under whose advice, directions or instructions a director or manager is accustomed to act :
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- viii. any body corporate which is—

- (A) a holding, subsidiary or an associate company of such company;
- (B) a subsidiary of a holding company to which it is also a subsidiary; or
- (C) an investing company or the venturer of the company;

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- ix. Such other person as may be prescribed shall include a Director other than an Independent Director or Key Managerial Personnel of the Holding Company or his relative with reference to a Company, shall be deemed to be a related party.

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 Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

xvi. Relative

Relative means relative as defined under the sub-section 77 of Section 2 of Companies Act, 2013 and includes anyone who is related to another, if –

i. They are Members of a Hindu Undivided Family ;

ii. They are Husband and Wife ; or

iii. Father (including step-father)

iv. Mother (including step-mother)

v. Son (including step-son)

vi. Son's wife

vii. Daughter

vii. Daughter's husband

viii. Brother (including step-brother)

ix. Sister (including step-sister)

xvii. Subsidiary Company or Subsidiary – Section 2 (87)

In relation to any other company, that is the Holding company, means a company in which the holding company:

(i) controls the composition of the Board of Directors; or

(ii) exercises or controls more than one-half of the Total Share Capital

- either at its own; or

- together with one or more of its subsidiary companies:

Explanation:

a. a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

b. the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company, by exercise of some power exercisable by it at its discretion, can appoint or remove all or a majority of the directors;

c. the expression "company" includes anybody corporate;

- d. “layer” in relation to a holding company means its subsidiary or subsidiaries;

Any other term not defined herein shall have the same meaning as defined in the Act or Listing Regulations or RBI Regulations.

5. POLICY FRAMEWORK

The Company shall maintain an updated list of Related Parties based on disclosures received from Directors and Key Managerial Personnel and shall ensure periodic updation of such records.

All departments within the Company shall be responsible for identifying transactions that may qualify as Related Party Transactions and shall escalate such transactions for appropriate approvals in accordance with this Policy.

6. COMPLIANCE AND APPROVALS

A. Audit Committee approval

- (1) All Related Party Transactions and any subsequent material modifications thereto, shall require the prior approval of the Audit Committee of the Company.

Provided that all members of the Audit Committee who are entitled to vote shall approve related party transactions, and any member having a conflict of interest shall abstain from participation.

Provided further that:

- (a) the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;
- (b) A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, 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, exceeds the lower of the following:
- (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
 - (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.
- (c) In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party

but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

- (d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and regulation 15(2) of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to hereinabove, the prior approval of the audit committee of the listed subsidiary shall suffice.

- (e) remuneration and sitting fees paid by the listed entity 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 in terms of the provisions of this regulation.
- (f) The members of the audit committee, who are independent directors, may ratify related party transactions 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:
 - (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 in terms of the provisions of sub regulation (1) of this regulation;
 - (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 along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
 - (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction 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(s) concerned shall indemnify the listed entity against any loss incurred by it.

(2) Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions, namely-

- (a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
- (c) the omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 rupees one crore per transaction.

- (d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals given.
- (e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

- (3) All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified under this sub-regulation 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 recognized stock exchanges within one day of the resolution plan being approved:

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

- (4) The provisions of the subject regulations shall not be applicable in the following cases:
- (a) transactions entered into between two public sector companies;
 - (b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - (c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - (d) 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 the Central Government or any State Government or any combination thereof on the other hand.
 - (e) transactions entered into between a public sector company on one hand

and the Central Government or any State Government or any combination thereof on the other hand.

Explanation: For the removal of doubts, it used in clause (b) of this sub-regulation refers to and shall be deemed to have always referred to a listed holding company.

- (5) The provisions of this regulation shall be applicable to all prospective transactions.

B. Board of Directors approval

1. All Related Party Transactions, proposed to be entered into, that are:
 - ☐ not in the ordinary course of business, or
 - ☐ in the ordinary course of business but not at arms' length or
 - ☐ neither in the ordinary course of business nor at arms' length,shall require the prior approval of the Board of Directors at a Meeting of the Board, regardless of the materiality threshold specified under the Companies Act, 2013 or SEBI (LODR) Regulations.
2. All Material Related Party Transactions which are subject to the approval of the shareholders of the Company shall require the approval of the Board at a meeting thereof.
3. Further, all Material Modifications to the Material Related Party Transactions which are intended to be placed before the shareholders for approval shall require the approval of the Board at its meeting.
4. All Related Party Transactions which attract the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, shall require prior approval of the Board of Directors.

Interested Directors shall not participate in such approval.

C. Shareholders' approval

All material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified as above 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 recognized stock exchanges within one day of the resolution plan being approved.

D. Process for approval

1. The Audit Committee will determine, in line with this Policy, whether the transaction submitted to it does, in fact, constitute a Related Party Transaction, requiring compliance under this Policy.
2. Review and Approval of Related Party Transactions
 - i. Any Director, who is interested in any Related Party Transaction, shall recuse him-self or her-self from discussion and voting on the approval of the Related Party Transaction.
 - ii. To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, including the terms and conditions of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, competitive quotes from third parties and any such other information reasonably required to decide whether such transaction is Related Party Transaction or not including any additional information about the transaction that the Audit Committee may reasonably request.
 - iii. In determining whether to approve a Related Party Transaction, the Audit Committee may consider giving 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 this Policy 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 the 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 Transactions 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.

- d) The Audit Committee shall review, at least on a quarterly basis, the details of the Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f) Save and except Related Party Transaction which are at Arm's length or in Ordinary Course of Business or for which omnibus approval is sought, no Related Party Transactions shall ordinarily be approved by the Audit Committee by means of circular resolution, except in exceptional circumstances as may be permitted under applicable law.

Such omnibus approval shall be granted only for transactions that are repetitive in nature and where the need for such approval is justified.

- iv. In determining whether to approve a Related Party Transaction the Committee will consider, inter alia, the following factors to approve a Related Party Transaction:
 - a. Whether the terms and conditions of the Related Party Transaction are fair and on an Arms' Length basis to the Company and are in the ordinary course of business of the Company;
 - b. Whether there are compelling business reasons for the Company to enter into the Related Party Transaction as against the normal transactions;
 - c. Whether the Related Party Transaction would affect the independence of an independent director;
 - d. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of, or in connection with, the proposed transaction;

- e. Whether the Related Party Transaction would amount to a conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, nature of direct or indirect interest of directors, Key Managerial Personnel or other Related Party in the transaction and the ongoing nature of any proposed relationship and such other aspects as may be deemed relevant to the Committee;
 - f. If the Committee determines that a Related Party Transaction should be brought before the Board or if the Board itself elects to review any such matter or it is mandatory under any law for the Board to approve such Related Party Transaction, then the criteria set out above shall also apply to the Board's review and approval of the matter with such modifications as may be necessary or appropriate under the circumstances.
- v. If the Board determines that a Related Party Transaction should be brought before the Shareholders or it is mandatory under any law for the Shareholders to approve such Related Party Transaction, then the Chairman of the Board will ensure obtaining requisite approval of the Shareholders. Shareholder(s) who are Related Parties will abstain from voting on such resolution.
- vi. Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of the Audit Committee or Shareholders:
- a. Any transaction entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - b. Any transaction entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

7. INFORMATION TO BE PROVIDED TO AUDIT COMMITTEE, BOARD OF DIRECTORS AND SHAREHOLDERS

The Management shall ensure that information required to be placed before the Audit Committee, Board of Directors and shareholders, as required from time to time under provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, SEBI circulars and Industry Standards on “Minimum information to be provided for review of the Audit Committee and shareholders for approval of Related Party Transactions”, including the SEBI Master Circular, as amended or superseded from time to time, is placed before the respective approving authority. Where the Audit Committee does not accord its approval for any Related Party Transaction or any modification thereto, it shall communicate the reasons thereof to the Board of Directors and record the same in the minutes of its meeting.

A. Minimum Information to be provided to the Audit Committee for approval (including ratification) of RPTs.

Effective from September 01, 2025, any Fresh Approval/Omnibus approval or any material modification to an existing Related Party Transactions which was approved by the Audit Committee prior to the applicability of the Industry Standards shall be treated as a new proposal and must comply with the minimum information and approval processes and specified format under the Industry Standards.

1. Transactions exceeding ₹ 1 Crore during a Financial Year but not exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore

For transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees Ten Crore, whichever is lower, the Company shall provide ‘Minimum information to the Audit Committee for approval of Related Party Transactions’ specified in Annexure-13A of the SEBI Master Circular dated January 30, 2026 (“Master Circular”) as in force and as may be revised or superseded from time to time.

2. Transaction exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore during a financial year

- i. The information presented to the Audit Committee for review/approval of any proposed Related Party Transaction must include the minimum information specified under Part A, Part B and Part C (as applicable) of Para 4 of the Industry Standards.
- ii. A certificate from Managing Director & Chief Financial Officer confirming that the terms of the Related Party Transactions proposed to be entered are in the interest of the Company.
- iii. A copy of valuation report or other report issued by an external party, if any.
- iv. If any redaction of confidential info is made in disclosures, the Audit Committee must certify that the redacted version still contains sufficient information for decision making.
- v. Such other additional information as may be required by the Audit Committee, which is deemed necessary and reasonable, to evaluate the proposed RPT.

B. Minimum Information to be provided to the shareholders for approval of Material RPTs.

1. Transactions exceeding ₹ 1 Crore during a Financial Year but not exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore

For transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees Ten Crore, whichever is lower, the Company shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in Annexure-13A of the SEBI Master Circular dated January 30, 2026 ("Master Circular") as in force and as may be revised or superseded from time to time.

2. Transaction exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore during a financial year

- i. The information placed before the Audit Committee to the extent applicable.
- ii. Justification of why the proposed Related Party Transaction is in the interest of the Company, basis of determination of price and other material terms and conditions of RPT.
- iii. Statement that the Audit Committee has reviewed the certificates provided by the Managing Director and CFO.
- iv. Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
- v. Copy/web link/QR code of valuation report or other reports by external party, if any.
- vi. Any other material information relevant to shareholders' decision.
- vii. The Company may make available a redacted version of information or reports as listed above. Such redacted version shall be approved by the Audit Committee and the Board of Directors who shall affirm that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision making.

8. MODIFICATIONS, RATIFICATION AND FAILURE TO PROCURE APPROVALS

If any modification or amendment to an approved Related Party Transaction is proposed, such modification or amendment shall require the prior approval of the relevant authority (Audit Committee, the Board, shareholder, as the case may be), and the process set forth hereinabove shall once again apply to such approval. The modification/amendment shall not be affected unless first approved by the Audit Committee.

In addition to considering the factors set forth in above paragraphs, the approving

authority shall consider (i) the impact of the modification/variation on the arm's length pricing; and (ii) whether the modification would trigger any Board or shareholder approval (which may not have been applicable to the existing transaction but for such modification).

The Audit Committee may ratify Related Party Transactions within three (3) months from the date of the transaction or at the immediate next meeting of the Audit Committee, whichever is earlier, subject to 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 a Material Related Party Transaction;
- 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 along with disclosures of RPTs as required under the provisions of SEBI LODR.

Failure to seek ratification of the audit committee shall render the transaction voidable at the discretion 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(s) concerned shall indemnify the listed entity against any loss incurred by it, subject to applicable provisions of law.

Provided further that ratification shall be permitted only in exceptional circumstances and shall not be treated as a substitute for prior approval.

9. REVIEW BY THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS

- a. The Standard Operating Procedure designed by Management for compliance with this Policy shall be periodically reviewed by the Audit Committee to ensure that it is effective, efficient and delivers its objective.
- b. This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

10. VIOLATION OF THE POLICY

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the same shall be reviewed by the Audit Committee / Board as follows:

- a. The Audit Committee or Board or Shareholders, as the case may be, will consider all the relevant facts and circumstances regarding the Related Party Transaction, and evaluate all options available to the Company, including ratification within 3 months of the date of the contract or arrangement, whether ratification should be allowed and if ratified whether it would be beneficial or detrimental to the Company, revision or termination of the Related Party Transaction including the facts and circumstances of failure to obtain approval / report such Related Party Transaction to the Audit Committee or the Board or Shareholders under this Policy

and take such action as deemed appropriate. In case, such contract or arrangement is not so ratified, such contract or arrangement shall be voidable at the option of the Board.

- b. It shall be open to the Company to proceed against a Director or any other employee who had entered into such a contract or arrangement in contravention of the provisions of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement.
- c. Where the Audit Committee or Board, as the case may be, determines not to ratify a Related Party Transaction that has been commenced without approval, it may direct such additional actions including, but not limited to, immediate cancellation of such transaction or recovery action against a Director or KMP who had entered in to such contract or arrangement in contravention of the provisions of the Act or of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d. Any Director or any other employee of a company, who had entered into or authorized the contract or arrangement in violation of the provisions of this section shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both.
- e. If any person has been convicted of the offence pertaining to related party transaction under Section 188 at any time during the last five years, he shall not be eligible for appointment as Director of any Company.
- f. If such contract or arrangement is with a related party with reference to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

11. DISCLOSURE OF RELATED PARTY TRANSACTION

- 1. All contracts or arrangements which require Board approval shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement
- 2. The Explanatory Statement annexed to the Notice convening General Meeting for seeking the Shareholders' approval for the Related Party Transaction should contain the prescribed details.
- 3. Details of all material transactions with the Related Parties should be disclosed to the Stock Exchanges on quarterly basis along with the Corporate Governance Compliance Report.
- 4. The Company shall submit to the stock exchanges disclosures of related party

transactions in the format as specified by the Board from time to time, and publish the same on its website:

Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

5. The Policy on dealing with Related Party Transactions shall be uploaded on the Company's website.
6. The Company shall publish the Policy in its Annual Report.
7. This Policy will be communicated to all operational employees and other concerned persons of the Company.
8. With a view to provide greater transparency in this area, the SBR has prescribed a disclosure format for RPTs. Disclosures are required in the annual financial statements of NBFCs within all the levels of the SBR; as per format prescribed by RBI from time to time.

This revised Policy has been adopted by the Board of Directors of Industrial Investment Trust Limited vide Resolution passed on May 23, 2026 and shall be deemed to have come in to force from immediate effect.

Subsequent modification(s) / amendment (s) to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall automatically apply to this Policy.

Place: Mumbai

Date: May 23, 2026