<u>Policy on dealing with Related Party Transactions</u>

1. Introduction

The Company, "IFB Automotive Private Limited" has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions (RPTs). Endeavour is consistently made to have only arm's length transactions with all parties including Related Parties.

The Policy termed as "Policy on dealing with Related Party Transactions" shall operate within the boundaries set by the various provisions of the Companies Act, 2013.

This Policy shall become effective from the date of its adoption by the Board. Going forward, the Board will review and amend the Policy, as and when required.

2. Scope and purpose of the policy

The objectives of this Policy are to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Parties.

3. Clarifications, Amendments and Updates

This Policy shall be implemented as per the provisions of the applicable law. Any amendments in the applicable law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them, in the applicable law under reference, that is to say, the Companies Act, 2013 and Rules framed there under, as amended, from time to time.

4. Definitions

4.1 "Act" means the Companies Act, 2013, together with the Rules notified there under including any statutory modifications or re-enactments thereof for the time being in force (hereunder referred to as "Act").

4.2 "Accounting Standards" means the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.

4.3 "Associate Company" 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. It shall also include an entity which is an associate as per the applicable accounting standards.

4.4 "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.

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

4.6 “Body Corporate” means an entity as defined in Section 2(11) of the Act.

4.7 “Company” means "IFB AUTOMOTIVE PRIVATE LIMITED".

4.8 “Director” means any director of the Company appointed as per the provisions of Act.

4.9 “Ordinary course of business” means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing/ giving of guarantees or collaterals or loans or any other financial assistance, in the normal routine in managing trade or business as and is not a standalone transaction.

4.10 “Policy” means this Policy on dealing with Related Party Transactions.

4.11 “Relative” shall have the same meaning as assigned to it under Section 2(77) of the Act and the Rules made thereunder.

4.12 “Related Party Transaction" have the meaning as defined under Section 188 of the Act read with Rules thereunder, as amended, and shall mean a transaction involving

i. Sale, purchase or supply of any goods or materials
ii. Selling or otherwise disposing of, or buying, property of any kind
iii. Leasing of property of any kind
iv. Availing or rendering of any services
v. Appointment to any office or place of profit in the Company, its subsidiary or associate company
vi. Underwriting the subscription of any securities or derivatives thereof, of the Company

4.13 “Subsidiary” means a company as defined in Section 2(87) of the Act.

4.14 “Significant Influence” means control of at least 20% of the total voting power, or control of or participation in business decisions under an agreement.

All terms not defined herein above shall take their meaning from the Applicable Laws.

6. Approval of Related Party Transactions

General Approval Requirements

All related party transactions proposed to be entered by the Company will be entered subject to the approvals as required under Section 188 of the Act and in compliance with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Company shall ensure that the transactions between the related parties shall be in the ordinary course of business and at arm’s length basis.

Omnibus Approval by the Board

The Company shall obtain omnibus approval from the Board for all Related Party Transactions subject to compliances with the conditions prescribed in paras 1 to 8 below.

1. The Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:

    i. maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
    ii. the maximum value per transaction which can be allowed;
    iii. extent and manner of disclosures to be made to the Board at the time of seeking omnibus approval;
    iv. review, at such intervals as the Board may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
    v. transactions which cannot be subject to the omnibus approval by the Board.

2. The Board shall consider the following factors while specifying the criteria for making omnibus approval, namely:

    i. repetitiveness of the transactions (in past or in future);

    ii. justification for the need of omnibus approval.

3. The Board shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;

4. The omnibus approval shall provide details of (i) the name/s of the related party and its relationship with the Company, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into during the year; (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any, (iii) minimum information about the RPTs as per the provisions of the Industry Standards and (iv) such other conditions as the Board may deem fit.

    Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, the Board may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

5. The Board shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company pursuant to the omnibus approval given;

6. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.

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

8. Any other conditions as the Board may deem fit.

Approval of Board of Directors

All the Related Party Transactions with respect to certain transactions specified under Section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company, unless:

i transactions entered into by the company are in its ordinary course of business; and

ii transactions are at an arm's length basis.

Approval of Shareholders

All transactions with Related Parties specified under Section 188 of the Companies Act, 2013 which are not at arm's length or not in the ordinary course of business and exceed the thresholds laid down in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, shall require prior approval of the Shareholders.

7. Related party transactions not approved under this policy

The members of the Board of Directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the Board, whichever is earlier. Ratification is subject to certain conditions as specified in the Companies Act, 2013.

The failure to seek ratification of the Board of Directors shall render related party transactions voidable at the option of the Board and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

8. Review of the Policy

The adequacy of this Policy shall be reviewed and reassessed by the Board periodically and update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

9. Disclosures

This Policy be uploaded on the website of the Company. Approved at the Board Meeting dated 15th July, 2025.