



DUCON INFRATECHNOLOGIES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

(Amended and effective from May 30, 2025)

OUR VISION

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) a company is required to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, Ducon Infratechnologies Limited has framed this Policy on Related Party Transactions (“Policy”) and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Act and Regulation 23 of the Listing Regulations. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

The Company is committed to monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

- (a) The materiality thresholds for related party transactions and;
- (b) The manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the Listing Regulations and any other laws and regulations as may be applicable to the Company.

DEFINITIONS

- (a) **“Audit Committee or Committee”** means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Act.
- (b) **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- (c) **“Ordinary Course of Business” (OCB)** means a transaction which is:
 - carried out in the normal course of business envisaged in accordance with the Memorandum of Association (‘MOA’) of the Company as amended from time to time, or
 - historical practice with a pattern of frequency, or
 - common commercial practice, or
 - meets any other parameters/criteria as decided by the Board/Audit Committee.



- (d) **“Material Related Party Transaction”** (Material RPT)” shall mean related party transactions as defined under the regulation 23(1) of Listing Regulations or provisions of the Act.
- (e) **Related Party Transaction” (RPT)** means transactions as given under clause (a) to (g) of section 188 and / or as defined in regulation 2(1)(zc) of Listing Regulations.
- (f) **Related Parties:** Related Party shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations.
- (g) **“Key Managerial Personnel”(KMP)** in relation to a company shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP.
- (h) **“Relative”** means a relative as defined in Section 2(77) of the Act and Listing Regulations.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Listing Regulations, as amended from time to time.

MATERIAL RELATED PARTY TRANSACTION INCLUDES THE FOLLOWING

- i) A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.
- ii) A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.
- iii) 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 10% of the annual consolidated turnover, as per the last audited financial statements of the listed entity; However, with effect from April 1, 2023, 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 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary; The following transaction(s):

Sr. No.	Details of Transactions	Threshold limit
1.	Sale, Purchase or supply of any goods or materials directly or through appointment of agents	* exceeding Ten percent (10%) of the annual turnover as mentioned in Section 188(1)(a)&(e) of the Companies Act, 2013



2.	Selling or otherwise disposing of, or buying property of any kind directly or through appointment of agents	* exceeding ten percent (10%) of the Networth of the Company as mentioned in Section 188 (1)(b) & (e) of the Companies Act, 2013
3.	Leasing of property of any kind	* exceeding ten percent (10%) of the turnover of the Company as mentioned in Section 188 (1)(c) of the Companies Act, 2013
4.	Availing or rendering of any services directly or through appointment of agents	* exceeding ten percent (10%) of the Net worth as mentioned in Section 188 (1)(d) & (e) of the Companies Act, 2013.
*Explanation: 1. The Turnover or Networth referred in the above shall be computed in the basis of the Audited Financial Statement of the preceding Financial Year 2. It is hereby clarified that the limits specified above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.		
5.	Appointment to any office or place of profit in the company, its subsidiary company or associate company	At a monthly remuneration exceeding Rs. 2,50,000/- as mentioned in Section 188 (1)(f) of the Companies Act, 2013
6.	Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company	One percent of the net worth as mentioned in Section 188 (1)(g) of the Companies Act, 2013

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

In addition to any other declaration/disclosure which may be required to be made under the Act and the rules made thereunder, and the Listing Regulations, every director and key managerial personnel (KMP) shall provide a written declaration to the Company Secretary or any other officer of the Company authorized by the Board of Directors, containing the following information-

- List of Relatives
- List of firms in which he/she or his/her relative is a partner.
- List of private companies in which he/she is a member or director.
- List of public companies in which he/she is a director and holds either individually or along with his/her relatives more than 2% of the paid up share capital ;
- List of bodies corporate whose Board of Directors, Managing Director, or Manager is accustomed to act in accordance with his/her directions, instructions or advice (other than directions, instructions or advice given in a professional capacity).
- List of persons/bodies corporate on whose directions, instructions, or advice he/she is accustomed to act (other than directions, instructions, or advice received in professional capacity).

The Director and the KMP shall immediately intimate the Company Secretary or any other officer authorized by the Company, regarding any changes in the above stated declaration.



Every Director, KMP of the Company shall give a prior notice to the Company regarding a potential Related Party Transaction with the Company which may, directly or indirectly, involve either him/her or his/her relative, along with all relevant details and documents.

PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

A. Audit Committee

- a. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee.
- b. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:
 - (i) 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.
 - (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - (iii) 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;
 - (iv) 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.
 - (v) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- c. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- d. Provided the requirement for prior approval of the Audit Committee shall not be applicable for 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.

B. Board of Directors

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length basis, the Board will inter alia consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

- (a) If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the



Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act, then such Related Party Transaction and any subsequent Material modification thereto, shall require shareholders' approval by a resolution. In such case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

- (b) The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (c) 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 Company would seek post facto approval from the Audit Committee, the Board and/or shareholders as per applicable laws/ regulations.

PRIOR APPROVAL OF THE AUDIT COMMITTEE SHALL NOT BE REQUIRED FOR:

(a) Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

(b) Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.

(c) 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.

(d) 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.

(e) remuneration and sitting fees paid by the Company or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

REPORTING REQUIREMENTS

- The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed, in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.
- Appropriate disclosures as required under the Act and the Listing Regulations will be made in the Annual / Board's Report. The Company Secretary of the Company shall be responsible for ensuring that the required disclosures relating to RPTs are duly made.
- Members of the Board should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- The Board and the KMP shall conduct themselves in such a manner so as to meet the expectations of operational transparency to stakeholders while at the time maintain confidentiality of information in order to foster a culture for good decision making.



- The Board of Directors shall collectively monitor and manage potential risk of conflicts of interest of management, board members and shareholders including misuse of corporate assets and abuse in related party transactions.
- Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

RATIFICATION OF THE RELATED PARTY TRANSACTIONS

Where any contract or arrangement, which is considered as a related party transaction exclusively as per Act, is entered into by a director or any other employee, without obtaining the consent of Audit Committee or the Board or the shareholders of the Company, such transaction shall be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In case such transaction is not ratified within the specified period, such contract or arrangement shall be voidable at the option of the Board and if the contractor arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the company becomes aware of any Related Party Transactions that has not been approved under this policy, prior to its consummation, the matter shall be reviewed by the Audit Committee. Audit Committee may consider all of the relevant facts and circumstances regarding the Related Party Transactions and may evaluate all the options available with the Company. Audit Committee may also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and failure of internal control systems, and may take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate may direct additional action including, but not limited to, discontinuation of the transaction or seeking the approval of the Shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this policy.

POLICY REVIEW

Policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

AMENDMENTS

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.