Pipeline Infrastructure Limited

Policy on Related Party Transactions

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PREAMBLE

The Board of Directors ("Board") on the recommendation of its Audit Committee ("Committee"), has approved and adopted this policy on materiality of Related Party Transactions ("RPTs") and on dealing with RPTs (hereinafter referred to as "Policy") in compliance with the provisions of regulation 62K of Chapter VA read with regulation 23 except regulation 23(8) and regulation 23(9) of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Section 188 and other applicable provisions, if any of the Companies Act, 2013 read with applicable rules made thereunder ("Act") and any amendments thereto from time to time.

OBJECTIVE

This Policy has been adopted to mainly deal with the following matters:

a) regulate transactions of the Company with it's related parties, as defined and identified under the Act, SEBI Listing Regulations and the Indian Accounting Standard ("Ind AS") 24;
b) ensure high standards of Corporate Governance while dealing with related parties; and
c) ensure optimum compliance with various applicable laws prescribed for RPTs.

DEFINITIONS

Material related party transactions: 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 as per the thresholds specified in Schedule XII of the SEBI Listing Regulations which is as follows:.

Consolidated Turnover of Listed Entity Threshold	**Threshold**
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the listed entity above Rs. 20,000 Crore
(III) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above Rs. 40,000 Crore 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.*

Provided that, 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 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

Subsequent material modifications: Any subsequent modification (either individually or taken together with any previous modification) in a related party transaction(s) resulting into +/- 10% or more change in the value of transaction(s) as already approved by the Audit Committee/Board/Shareholders, as applicable, or by which the RPT ceases to be in the ordinary course of business and/or on arm's length, shall be considered as subsequent material modification.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act or SEBI Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

POLICY

A. <u>Audit Committee</u>:

a) All RPTs and subsequent material modifications shall require prior approval of the Committee, as required under the provisions of the Act and SEBI Listing Regulations.

Only those members of the Committee who are independent directors shall approve the RPTs.

b) The Committee may grant omnibus approval for RPTs proposed to be entered into by the Company subject to the following conditions in terms of regulation 62K of Chapter VA read with regulation 23 except regulation 23(8) and regulation 23(9) of SEBI Listing Regulations and rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014:

(i) The Committee shall, after obtaining approval of the Board, specify the criteria for making the omnibus approval in line with the Policy on RPTs adopted by the Company, which shall include:

i. maximum value of the transactions, 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 Committee at the time of seeking omnibus approval;
iv. review, on quarterly basis, RPT entered into by the Company pursuant to each of the omnibus approval made;
v. review the status of long-term (more than one year) or recurring RPTs on an annual basis; and
vi. transactions which cannot be subject to the omnibus approval by the Committee.

(ii) Omnibus approval shall be applicable in respect of transactions which are repetitive in nature and the Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the Company.
The Committee shall review the information/details as required in terms of the Act and SEBI Listing Regulations read with the relevant circulars issued from time to time, for giving an omnibus approval for any transaction.

(iii) Where the need for RPT cannot be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore (Rupee One Crore only) per transaction.

(iv) Omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of such financial year.

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

(vi) The Committee may impose any other condition(s) as it may deem fit.

(vii) In case of transactions, other than transactions referred to in section 188 of the Act, and where the Committee does not approve the transaction(s), it shall make its recommendations to the Board.

(viii) The provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 188, between a holding company and its wholly owned subsidiary company.

(ix) All material related party transactions and subsequent material modifications shall require prior No-Objection Certificate (NOC) from the Debenture Trustee and the Debenture Trustee shall in turn obtain NOC from the debenture holders who are not related with the Issuer and hold atleast more than fifty per cent. of the debentures in value, on the basis of voting including e-voting, in the manner specified by the Board.

(x) After obtaining approval of the debenture holders, approval of the shareholders through resolution shall be obtained.

Explanation (1): If the No-Objection Certificate has been withheld, the matter shall not be taken forward for shareholders' consideration.

Explanation (2): This No-Objection Certificate from Debenture Trustee and debenture holders is required to be obtained in respect of listed debt securities issued on or after April 01, 2025 as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 amendment dated March 27, 2025.

(xi) Obtaining of No-Objection Certificate from Debenture Trustee and debenture holders is not 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; and

e. transactions entered into between a public sector company on the one hand and the Central Government or any State Government or any combination thereof, on the other hand.

B. Board of Directors and Shareholders:

In case of specified RPTs as mentioned in section 188 of the Act, prior approval of Board and/or Shareholders is required for entering into any contract or arrangement with a related party as per the following:

(a) Prior approval of the Board at a meeting - RPTs which are not in ordinary course of business or not on arm's length basis, shall be effected only with prior approval of the Board, on recommendation of Audit Committee.

Any member of the Board who has any interest in any RPT shall recuse himself and abstain from discussion and voting.

(b) Prior approval of the Shareholders by way of a resolution - Following RPTs (including any subsequent material modification thereof) shall be affected only with prior approval of shareholders, on recommendation of the Board:

i. Material Related Party Transactions
ii. RPTs which require approval of the shareholders in terms of Section 188 of the Act and rules made thereunder

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Act, include the information/details as required in terms of the Act and SEBI Listing Regulations read with the relevant circulars issued from time to time.

In such a case, any member of the Company who is a related party of the Company (whether or not concerned with the particular transaction), shall not vote on resolution passed to approve such RPT.

Exemptions from Audit Committee/Shareholders approval:

(i) 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; and
(ii) 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.

C. Ratification of Related Party Transactions

In the event the Company becomes aware of any RPT that has not been approved prior to its consummation by the Audit Committee/ Board/Shareholders ("Approving Authority"), as may be required, in accordance with this Policy and applicable laws, the said RPT shall be placed before the Approving Authority, as promptly as practicable, along with all relevant information and facts. The

Approving Authority shall consider all facts and circumstances, and evaluate all options available to the Company, including but not limited to ratification, revision or termination of the said RPT, and shall take such actions as it may deem appropriate.

D. Disclosures

a. Every contract or arrangement entered with related parties which are not on arm's length basis with the approval of Board/Shareholders in line with section 188 of the Act shall be referred in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements.
b. Details of all material RPTs shall be disclosed quarterly along with the compliance report on corporate governance to be submitted to stock exchanges.
c. Name of related parties, nature of relationships and details of RPTs should be disclosed in accordance with the applicable Accounting Standard.
d. The Company shall maintain the registers for all contracts or arrangements with any related party which require approval of the Board as per provision of the Act.
e. The Company shall submit disclosures of related party transactions in the manner prescribed by the SEBI/ Stock exchanges and publish the same on its website.

REVIEW AND AMENDMENTS

i) This Policy is framed based on the provisions of the Act and SEBI Listing Regulations. In case of any subsequent changes in the provisions of the Act and SEBI Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Act/SEBI Listing Regulations, then the provisions of the Act/SEBI Listing Regulations would prevail over the Policy.
ii) The Company Secretary and the Chief Financial Officer are authorized to amend this Policy to give effect to any such changes/amendments and the amended Policy shall be placed before the Audit Committee and the Board for noting and ratification.
iii) The Audit Committee shall review this Policy atleast once in every 3 (three) years and recommend any proposed changes to the Board for approval.

GENERAL

The Policy is available on the website of the Company i.e. www.pipelineinfra.com and a web link thereto shall be provided in the Annual Report.

Any questions and clarifications relating to this Policy should be addressed to the Company Secretary or the Chief Financial Officer at compliance@pipelineinfra.com.

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