

**1. SCOPE AND PURPOSE:**

The Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the "**Listing Regulations**"), has mandated every listed company to formulate a policy on materiality of Related Party Transactions ("**Policy**") and on dealing with Related Party Transactions.

Accordingly, the Board of Directors of Incredible Industries Limited (hereinafter referred to as the "**Company**") based on the recommendation of the Audit Committee, has adopted the following Policy and procedures with regard to Related Party Transactions. The policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Laws and Regulations.

This Policy has been framed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

**2. DEFINITIONS:**

"**Act**" means the Companies Act, 2013.

"**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.

"**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.

"**Associate Company**" means a Company which has significant influence but which is not a subsidiary 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.

"**Audit Committee**" or "Committee" means Committee of Board of Directors of the Company constituted under provisions of the Listing Regulations as well as the Companies Act, 2013.

"**Board**" means Board of Directors of the Company.

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

"**Industry Standards**" shall mean the Industry Standards on "Minimum information to be provided for review of Audit Committee and Shareholders for approval of Related Party Transaction as notified by SEBI from time to time.

"**Key Managerial Personnel**" mean key managerial personnel as defined under the Companies Act, 2013 as under:

**LIMITED**

- (i) Managing Director, or Chief Executive Officer and in their absence the Manager,
- (ii) Whole-time Director;
- (iii) Company Secretary;
- (iv) Chief Financial Officer;
- (v) such other officer not more than one level below the Directors who is in the whole- time employment and designated as Key Managerial Personnel by the Board; and
- (vi) such other officer as may be prescribed under Companies Act, 2013 and Rules framed thereunder.”

**“Office or Place of Profit”** means any office or place:

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.”

**“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association of the Company.

**“Policy”** means this Policy on Related Party Transactions.

**“Related Party”** means a related party as defined under Section 2(76) of the Companies Act, 2013; Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the applicable Accounting Standards.

**“Related Party Transaction”** (“RPT”) 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;

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.

Further, Related Party Transaction shall include the following transactions, either single or a group of transactions in a contract:

- a. sale, purchases 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 purchases or sale of goods, materials, services or property;
- f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
- g. underwriting the subscription of any securities or derivatives thereof, of the company."

**"Relative"** shall have the same meaning as assigned to it under Section 2(77) of the Companies Act, 2013 and the Rules made thereunder.

**"Material Related Party Transaction"** means a transaction with a related party, wherein if the value of transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds as specified in Regulation 23 of the Listing Regulations read with Schedule XII of the said Listing Regulations.

However, 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 Company as per the last audited financial statements of the Company.

**"Material Modifications"** shall mean and include any modification to an existing related party transaction having variance of 20% or more of the original value/consideration as limit as approved by the Audit Committee/Board/Shareholders, as the case may be.

**"Subsidiary"** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

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

**"Transaction"** with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or Regulation and as amended from time to time.

### **3. IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS:**

Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiary shall,

- a. at the time of appointment;
- b. periodically – as required by the Company or applicable law;
- c. whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary. Every such promoter, director and KMP shall also provide any additional information

about the transaction that the Board /Audit Committee may reasonably request.

**4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:**

**(a) AUDIT COMMITTEE APPROVAL**

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company whether at a Meeting of the Audit Committee or by Resolution by Circulation. Provided that only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

The Company shall while seeking approval of the Related Party Transactions, place before the Audit Committee all such information as may be applicable in terms of the Industry Standards, the disclosures as prescribed under the relevant SEBI circulars read with the provisions of the Listing Regulations and the Act, as amended from time to time.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:

- 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 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, and its relationship with the Company or its subsidiary, 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, (iii) minimum information about the RPTs as per the provisions of the Industry Standards as well as additional information as specified by SEBI from time to time and (iv) 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 ₹ 1 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 Company 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.
- f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

The Audit committee members, 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. Ratification shall be subject to the conditions as specified in the Act

and/or the Listing Regulations.

Further, in case any transaction (not being a specified transaction between the Company and its wholly owned subsidiary) involving any amount not exceeding ₹ 1 crore is entered into by a Director or Officer of the Company without obtaining the approval of the Audit Committee and which is not ratified by the Audit Committee within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, such transaction will be 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 concerned shall indemnify the Company against any loss incurred by it.

In any case, where the Committee determines not to ratify a Related Party Transaction(s) that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the Related Party Transaction(s). The Committee shall have the authority to modify or waive any procedural requirements of this Policy.

The following related party transactions shall not require prior approval of the Audit Committee of the Company:

- i. A transaction, other than a transaction referred to in Section 188 of the Companies Act, 2013, 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.
- 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.

iii. A related party transaction above ₹1 crore whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction, does not exceed the lower of the following:

(a) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or

(b) the threshold for material related party transactions of listed entity as specified in Schedule XII of the Listing Regulations.

iv. In the event of a related party transaction above ₹1 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 Company shall not be obtained if the value of such transaction does not exceed the lower of the following:

(a) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or

(b) the threshold for material related party transactions of listed entity as specified in Schedule XII

of the Listing 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.

v. A related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-Regulation (2) of Regulation 15 of the Listing Regulations are applicable to such listed subsidiary.

vi. Transactions between unlisted subsidiary of a listed subsidiary (i.e. step-down subsidiary of the listed entity) and related party of the Company or related party of such subsidiary, provided the listed subsidiary seeks prior approval of its Audit Committee.

vii. 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 material in terms of the provisions of sub-Regulation (1) of Regulation 23 of the Listing Regulations.

**(b) APPROVAL OF BOARD OF DIRECTORS**

All the Related Party Transactions and subsequent material modification shall be approved by the Board of Directors of the Company, except:

- (i) transactions entered into by the company are in its ordinary course of business; and
- (ii) transactions are 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) APPROVAL OF SHAREHOLDERS**

All transactions with Related Parties exceeding the materiality thresholds and any subsequent material modification, as stated below, shall require prior approval of the Shareholders by a resolution:

- a) If the transaction/transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds as specified in Regulation 23 of the Listing Regulations read with Schedule XII of the said Listing Regulations;

- a) A transaction involving payments made with respect to brand usage or royalty, if the transaction/transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;
- b) All transactions 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 Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

In aforesaid cases, 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.

The Company shall while seeking approval of the shareholders, include in the Statement to the notice being sent to shareholders seeking their approval for proposed Related Party Transactions all such information as may be applicable in terms of the Industry Standards, the disclosures as prescribed under the relevant SEBI circulars read with the provisions of the Listing Regulations and the Act, as amended from time to time.

The following related party transactions shall not require prior approval of the shareholders of the Company:

- i. Transactions entered into between the Company and its Wholly-owned Subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ii. 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.
- iii. A related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-Regulation (2) of Regulation 15 of Listing Regulations are applicable to such listed subsidiary.
- iv. Transactions between unlisted subsidiary of a listed subsidiary (i.e. step down subsidiary of the listed entity) and related party of the Company or related party of such subsidiary, provided the listed subsidiary seeks prior approval of the shareholders.
- v. 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.

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 Act or rules, notifications, or circulars issued thereunder from time to time.

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.

**LIMITED**

**(d) RELATED PARTY CONTRACTS ENTERED WITHOUT PROPER APPROVAL OF BOARD/SHAREHOLDERS:**

Where any contract or arrangement is entered into by a Director or any other employee of the Company, without obtaining the consent of the Board or approval by a Resolution in the General Meeting, as applicable and if it is not ratified by the Board or, as the case may be, by the shareholders at the Meeting within 3 months from the date from which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with the related party to any Director or is authorised by any Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.

Without prejudice to the above, it shall be open to the Company to proceed against the Director or any other employee who had entered into such contract or arrangement for recovery of any loss sustained by it as a result of such contract or arrangement.

The Director or any other employee responsible for the violation shall be punishable with imprisonment and fine as prescribed under the Companies Act, 2013.

**5. FOLLOWING TRANSACTIONS NOT TO BE CONSIDERED AS RELATED PARTY TRANSACTIONS:**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

1. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel 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.
2. 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.
3. 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;
4. The following corporate actions 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.
5. Retail purchases from the Company or its subsidiary by the directors or key managerial personnel of the Company 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 such directors or key managerial personnel. Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/ Companies Act, 2013.

**6. DISCLOSURES:**

- Related Party Transactions shall be disclosed in the Annual Report as prescribed under the Act and the Listing Regulations.
- The Company shall submit to the Stock Exchanges disclosure of Related Party Transactions in the format as specified by the SEBI from time to time and also publish the same on its website.

The company and its subsidiaries shall in 'Corporate Governance Report' disclose Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

- The Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.
- Such other disclosures as may be prescribed under applicable laws and Regulations.

**7. REVIEW AND AMENDMENT:**

This Policy has been formulated in accordance with the existing provisions of the Act or the Listing Regulations or any other applicable laws / Rules/ Regulations. The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company based on the recommendation of the Audit Committee. This Policy will be communicated to all Directors, KMPs, operational employees and other concerned persons of the Company. The Policy shall be reviewed by the Board of Directors at least once in every three years and updated accordingly.

In case of any subsequent changes in the provisions of the Act or the Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act or the Listing Regulations, then the provisions of the Act or the Listing Regulations would prevail over the Policy and the provisions in the Policy shall be deemed to be modified and/ or amended to the extent, even if not incorporated in this Policy.

This revised Policy shall come into effect from December 24, 2025.