

## RELATED PARTY TRANSACTIONS POLICY

### INTRODUCTION

Sify Infinit Spaces Limited, a non-high value debt-listed entity in the Data Center Business, is committed to maintain transparency and integrity in its related party transactions. While current SEBI regulations do not mandate a Related Party Transactions policy for the Company, the company voluntarily adopted this policy as a good governance and industry best practices.

### PURPOSE

This policy aims to:

- i. Define the criteria for identifying and reviewing related party transactions.
- ii. Establish the governance framework for approval, monitoring, and disclosure of related party transactions.
- iii. Ensure compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the Companies Act, 2013.

### APPLICABILITY

This policy applies to all transactions between the Company and its related parties, including:

- i. Holding company
- ii. Fellow subsidiaries
- iii. Promoter group entities
- iv. Key managerial personnel (KMP) and their relatives
- v. Any other related parties as defined under SEBI LODR and the Companies Act, 2013

Transactions for this purpose includes any contract or arrangement with a related parties as defined in this policy.

### DEFINITIONS

- i. **Act** means the Companies Act 2023 as amended from time to time.
- ii. **Listing Regulations** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- iii. **Board of Directors/Board** shall have the meaning as defined under 2(10) of the Act.
- iv. **Audit Committee** means the Committee constituted by Board under the Act and Listing regulations.
- v. **Key Managerial Personnel**: shall have the meaning as defined under 2(51) of the Act read with Listing regulations.

- vi. **Relative:** shall have meaning as defined under 2(77) of the Act read with Listing regulations with reference to Directors and Key Managerial Personnel.
- vii. **Related Party** shall have meaning as defined under Section 2(76) of the Act and Regulation 2(1) (zb) of the listing regulations.
  - viii. **Related Party Transaction** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and includes:
    - a. sale, purchase 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 purchase 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; and
    - g. underwriting the subscription of any securities or derivatives thereof, of the company

Note: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.
- ix. **Arm's Length Basis** means a transaction between two related parties conducted as if they were unrelated, so that there is no conflict of interest.
- x. **Ordinary Course of Business** means the normal, routine, and customary activities that a company regularly undertakes as part of its business operations. These activities align with industry standards, company policies, and its Memorandum & Articles of Association. .
- xi. **Material related party transaction** means a transaction with related parties entered individually or in taken together with existing transactions during the financial year exceeds INR 1000 Crores or 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.
- xii. **Material Modifications to Related Party Transactions** means any change or modification in an existing related party transaction that exceeds 20% of the existing limit or INR 10 crore per annum, whichever is lower.

## IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The Company shall obtain a declaration from its Directors and Key Managerial Personnel (KMPs) regarding their related parties at the time of appointment and periodically as per the requirement of the Act. Additionally, they shall provide a declaration for any subsequent changes in the information previously declared during the year.

The Company Secretary shall maintain a register of related parties, which shall be updated based on the declarations received. The identification of related parties shall be done in accordance with the definitions provided under the Act, based on the register maintained by the Company Secretary.

## **MINIMUM INFORMATION FOR AUDIT COMMITTEE & SHAREHOLDERS**

The Company shall follow the Industry Standards on “Minimum information to be provided for review of the Audit Committee and shareholders for approval of related party transactions” issued by SEBI vide Circular dated February 14, 2025, effective from April 1, 2025. In compliance with SEBI Regulation 23 and industry standards, the Company will ensure that all necessary information, as specified under SEBI’s Master Circular dated November 11, 2024, and any subsequent amendments, is placed before the Audit Committee and shareholders for their consideration & approval.

## **APPROVAL PROCESS**

### **Approval of the Audit Committee:**

All Related Party Transaction(s) of the Company and subsequent material modifications thereto, shall require prior approval of the Audit Committee of the Company, as required under the Act and the Listing Regulations. All Related Party Transactions shall be subject to prior review and approval by the Audit Committee before execution. The Audit Committee shall evaluate whether the transaction is conducted on an arm’s length basis and falls within the ordinary course of business.

At the time of approving Related Party Transactions, the Audit Committee shall consider a certificate provided by the Chief Executive Officer, Chief Financial Officer, or any other Key Managerial Personnel. that confirms that the proposed related party transactions are not prejudicial to the interests of public shareholders and that their terms are fair and comparable to similar transactions with unrelated parties. The certificate shall be presented in line with industry standards.

### Omnibus Approval:

The audit committee may grant omnibus approval for related party transactions proposed to be entered into by the company which are repetitive in nature. The committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the company.

The following details of transactions shall be mentioned for the Omnibus approval:

- 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:

In cases 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 INR 1 crore per transaction.

Omnibus approvals are valid for a period of one year and shall require fresh approvals after expiry of one year.

Prior approval by the Audit Committee is not required for transactions falling within the ambit of Regulation 23 (4) & (5) of the Listing Regulations.

The Committee shall have the authority to obtain external professional advice when required.

**Approval of the Board of Directors:**

In case any Related Party Transactions involving the Company are referred by the Audit Committee 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 price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction.

All Material Related Party Transactions including subsequent material modifications, which require prior shareholders' approval, shall first require prior approval of the Board.

Any member of the Board who has any interest in any Related Party Transaction shall abstain from voting on the Related Party Transaction.

**Approval of the Shareholders:**

Prior approval of Shareholders is required when a related party transaction entered individually or in taken together with existing transactions during the financial year,

- i. not in the ordinary course of business, or not at an arm's length price, or,
- ii. exceeding the materiality limits, as defined under this policy.

Such related party transactions require prior approval of the Board.

Any member who has any interest in any related party transaction shall abstain from voting on the related party transaction.

**RATIFICATION OF RELATED PARTY TRANSACTIONS**

The Audit Committee 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 transaction(s) with a related party for ratification, whether entered into individually or taken together, during a financial year shall not exceed INR 1 Crore
- ii. the transaction is not material as defined under this Policy

- 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. any other condition as specified by the audit committee.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee 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.

#### **DISCLOSURE REQUIREMENTS**

- i. The Company shall present all relevant information, as prescribed under Industry Standards, Listing Regulations, the Act, and any additional requirements specified by SEBI from time to time, to the Audit Committee for review when seeking prior approval for Related Party Transactions.
- ii. The Company shall include all necessary details, as mandated by Industry Standards, Listing Regulations, Act, and any additional SEBI directives, in the statement accompanying the notice sent to shareholders for approval of proposed related party transactions, as applicable.
- iii. The Company shall disclose Related Party Transactions to the stock exchanges where its securities are listed, in the format specified by SEBI or stock exchanges, and within the prescribed timelines.
- iv. The Company shall disclose in the Board's report any related party transactions that are not in the ordinary course of business or not conducted on an arm's length basis, along with a justification for entering into such transactions.
- v. The company shall disclose related party transactions in its Annual report and Financial Statements in accordance with applicable accounting standards.
- vi. The Company shall also publish the disclosure on its website.

#### **COMPLIANCE RESPONSIBILITY**

Compliance of this Policy shall be the responsibility of Whole Time Director, Chief Financial Officer and Company Secretary who shall have the power to ask for any information or clarifications from the management in this regard.

#### **REVIEW OF THE POLICY**

The Committee shall periodically review and assess the adequacy of this Policy, at least once every three years. Based on any regulatory amendments the Audit Committee shall recommend necessary updates to the Board for approval.