



VOLTAMP TRANSFORMERS LIMITED

RELATED PARTY TRANSACTIONS POLICY

("RPT POLICY")

(Amended w.e.f. July 29, 2024)

1. Preamble:

The Board of Directors of **Voltamp Transformers Limited** ("the Company") has adopted this policy. This policy includes materiality thresholds and the matter of dealing with the Related Party Transactions ("the policy") in compliance with the requirements of Section 188 of the Companies Act, 2013, rules made thereunder read with Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof ("SEBI LODR"). This policy applies to transactions between the Company and one or more of its related parties.

2. Objective of the Policy:

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof ("SEBI LODR") and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

3. Definitions:

- 3.1 "Act" means Companies Act, 2013 and rules made thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- 3.2 "Arm's Length Basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 3.3 "Audit Committee" means Audit Committee of the Board of Directors of the Company.
- 3.4 "Board of Directors" or "Board" means the Board of Directors of the Company.
- 3.5 "Company" means Voltamp Transformers Limited.
- 3.6 "Key Managerial Personnel" means the Key Managerial Personnel of the Company in terms of Companies Act, 2013 and rules made thereunder and as amended from time to time and includes any person so authorised by the Board of Directors of the Company.
- 3.7 "Listing Regulation" means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any subsequent modifications and amendment thereof (SEBI LODR).
- 3.8 "Policy" means Related Party Transactions Policy, including amendments, if any, from time to time.

- 3.9 "Related Party"** means a related party as defined in Section 2(76) of the Companies Act, 2013 read with Regulation 2(1)(zb) of SEBI LODR including modification and amendment made thereof.
- 3.10 "Related Party Transaction" or "RPT"** shall have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of SEBI LODR including modifications or amendments made thereto and shall mean a transaction involving a transfer of resources, services or obligations between:
- a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
 - b. the Company 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 Company or any of its subsidiaries.
- 3.11 "Material Related Party Transaction":** shall means a transaction or series of transactions with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a Related Party for brand usage or royalty, it will 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.

4. Policy:

All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Audit Committee to the Board based on this policy,

4. 1 Identification of Related Party Transactions:

Every Promoter, Director and Key Managerial Personnel (KMP) of the Company at the time of appointment; periodically i.e as required by the applicable law and whenever there is any change in the information already submitted, shall provide requisite information about his / her Relatives and all Firms, Companies, Body Corporates, Trusts, NGOs or other Association of individuals, in which such Promoter, Director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such Promoter, Director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a. Material Related Party Transactions
- b. Other Related Party Transactions, with promoter or promoter group or person/ entity; in which promoter or promoter group has concern or interest.
- c. Residual Related Party Transactions.

4.2 Review and approval of the Related Party Transactions:

4.2.1 Approval of Audit Committee

Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.

Members of the Audit Committee, who are independent directors, shall only approve related party transactions.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

Any member of the Audit Committee who has a potential conflict or interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transaction and / or prescribed under the Act and the SEBI LODR with Stock Exchange.

While considering any related party transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such transaction, the benefits to the Company and to the related party, whether such transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed transaction and any other relevant matters.

The Audit Committee shall consider repetitiveness of the transactions (in past or in future) and justification for the need of omnibus approval while specifying the criteria for making omnibus approval.

The Audit Committee 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;

The omnibus approval shall provide details of (i) the name/s of the related party and its relationship with the Company or its subsidiary, 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 Audit Committee may deem fit.

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

5. Approval of the Board of Directors and Shareholders of the Company:

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative vote to reject the shareholders resolution of material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which are not at Arm's Length or not in the ordinary course of business; and which exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and Shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of Shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.

6. Transactions which do not require approval:

- ❖ Transactions entered between the Company and its wholly owned subsidiary (WOS) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ❖ Transactions between two wholly owned subsidiary of the Company (if the Company is preparing consolidated accounts and placing the same before its shareholders for approval).
- ❖ Issue of specified securities on preferential basis subject to compliance of applicable SEBI Regulations.
- ❖ Corporate actions as under as the same are uniformly applicable to all shareholders:
 - Payment / receipt of dividend
 - Sub-division or consolidation of securities
 - Issue of securities as rights or bonus
 - Buy-back of securities
- ❖ The 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 Regulation 23(1) of SEBI LODR.

7. Related Party Transactions not approved under this Policy:

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification (subject to terms of this Policy), revision or termination of the Related Party Transaction. The members of the Audit Committee, who are independent directors, may ratify the 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 is subject to certain conditions as specified in the SEBI LODR.

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.

8. Disclosures:

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering such transaction.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

The Company shall submit information related to RPTs to the stock exchanges every six months, in the format specified by the SEBI LODR, simultaneously with the publication of financials and also publish the same on its website.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to Shareholders seeking their approval for proposed RPTs as applicable.

9. Review and Amendment:

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that this Policy shall be reviewed by the Board at least once every three years and updated accordingly.

This Policy is available on the website of the Company and a web link thereto shall be provided in the annual report.
