

POLICY FOR CONSIDERATION AND APPROVAL OF RELATED PARTY TRANSACTIONS

1. Introduction

The Board of Directors (“Board”) of Olectra Greentech Limited (“Company”) has adopted the following updated policy and procedures with regard to Related Party Transactions on 10th January, 2025 with effect from 01st April, 2025 as defined below. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company and also provides for materiality of related party transactions.

1.1 Scope and purpose of the policy

The Board of the Company has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee will review and may amend the policy as and when required subject to approval of the Board.

The objective of this policy is to regulate transactions between the Company and its Related Parties as determined based on the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and any other laws and regulations as may be applicable to the Company.

2. Definitions:

- 2.1 “Act” means the Companies Act, 2013 including any amendment or modification thereof.
- 2.2 “Arm’s Length Transaction” means a transaction between two related parties that is conducted as if they were unrelated.

- 2.3 “Associate” means a company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements”.
- 2.4 “Audit Committee” means the Committee of the Board formed under section 177 of the Act and Regulation 18 of SEBI (LODR) Regulations, 2015.
- 2.5 “Body Corporate” means an entity as defined in Section 2(11) of the Companies Act, 2013.
- 2.6 “Company” means the Olectra Greentech Limited
- 2.7 “Director” means a person as defined in Section 2(34) of the Companies Act, 2013.
- 2.8 “Employees” shall mean the employees and office-bearers of the Company, including but not limited to Managing Director & Whole Time Directors.
- 2.9 “Key Managerial Personnel or KMP” shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed there under.
- 2.10 “Material Related Party Transactions” shall mean
- a. a transaction to be entered with a related party which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the company or Rs 1000 (Thousand) Crores whichever is Lower.
 - b. a transaction involving payments made to a related party with respect to brand usage or royalty 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 listed entity as per the last audited financial statements of the listed entity.

2.11 “Material Modifications” means any modification to the existing Related Party Transaction which has effect of variance in the value of original transaction by 50% or more in the existing limits as sanctioned by the Audit Committee/ Board/ Shareholders, as the case may be. In case of any amendment to the Act or SEBI (LODR) Regulations, 2015, definition of Material modification will be deemed to be changed without any further approval of Audit Committee or Board.

2.12 “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.

2.13 “Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed there under.

2.14 “Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Regulation 2 (1) (zb) of SEBI (LODR) Regulations, 2015 as reproduced below:

As per Section 2 (76) of the Act, “Related Party”, with reference to a company, means—

- i) A director or his relative;
- ii) A key managerial personnel or his relative;
- iii) A firm, in which a director, manager or his relative is a partner;

- iv) A private company in which a director or manager is a member or director;
- v) A public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
- vi) Anybody corporate whose Board of Directors, managing director or manager is accustomed to Act in accordance with the advice, directions or instructions of a director or manager.
- vii) Any person on whose advice, directions or instructions a director or manager is accustomed to Act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- viii) Any company which is—
 - (a) a holding, subsidiary or an associate company of such company; or
 - (b) a subsidiary of a holding company to which it is also a subsidiary;
- ix) a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a Company as per Rule 3 of Co's (Specification of Definitions details) Rules, 2014

As per Regulation 2(1)(zb) of SEBI (LODR) Regulations, 2015; an entity shall be considered as related to the Company if;

- i) Such entity is related party under Section 2 (76) of the Companies Act 2013;
or
- ii) Such entity is related party under applicable accounting standards.

“Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares of ten per cent or more;

in the listed entity either directly or on a beneficial interest basis as provided

under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party:”

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);

2.15 “Related Party Transactions or RPT” shall mean such transactions as specified under Section 188 of the Act or rules made there under and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (including any amendment or modification thereof, as may be applicable) as given below;

Transactions specified under Section 188 of the Act;

- (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 Related party transactions.
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company:

As per Regulation 2(1)(zc) of SEBI (LODR) Regulations, 2015; a Related Party Transaction 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) 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:

Provided that the following shall not be a related party transaction:

- (a) 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;
- (b) the following corporate actions by the listed entity 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.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);”

2.16 SEBI (LODR) Regulations, 2015 means SEBI (Listing Obligations and Disclosure Requirements), 2015 as applicable to the Company including any amendment or modification thereof.

2.17 “Subsidiary” means a company as defined in Section 2(87) of the Companies Act, 2013.

2.18 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, Securities Contract Regulation Act or any other applicable law or regulation including any amendment or modification thereof.

3. Related party transactions under the policy

3.1 Any transfer of resources, services or obligations between the company or any of its subsidiaries on one hand and a related party or any of its subsidiaries on another hand, would get covered as a ‘**Related Party Transaction**’, whether or not, there is an element of consideration or price.

3.2 Prohibited Related party transactions

Any transaction with a Related Party can be undertaken only if it is in compliance with the law.

3.3 Approval Process

The Company will enter into Related Party Transactions or any subsequent material modification therein only with the prior approval of the Audit Committee with the voting of only independent directors.

Provided Further That:

- i) A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of

the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;

- ii) **with effect from April 1, 2023**, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the **annual standalone turnover**, as per the last audited financial statements of the **subsidiary**;
- iii) prior approval of the audit committee of the Company shall not be required for 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 these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (ii) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

- iv) remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.
- v) The members of the audit committee, 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, subject to the following conditions:

- (a) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (b) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (d) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- (e) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction 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(s) concerned shall indemnify the listed entity against any loss incurred by it.”

The Audit Committee may review following information for approval of RPTs:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the listed entity’s annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary’s annual turnover on a standalone basis shall be additionally provided);

- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant

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

- a) The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company;
- b) Such omnibus approval shall specify the following:
 - Name(s) of the Related Party;

- Nature of the transaction;
 - Period of transaction;
 - Maximum amount of transaction that can be entered into;
 - The indicative base price/current contracted price and the formula for variation in the price, if any and
 - Such other conditions as the Audit Committee may deem fit.
- c) Such transactions under omnibus approval will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction.
- d) In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One Crore per transaction only;
- e) The Audit committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiary pursuant to each of the omnibus approval given;
- f) Such omnibus approvals shall be valid for a period as may be prescribed under Regulation 23 of SEBI (LODR) Regulations, 2015 from time to time.
- g) Notwithstanding the foregoing, the following Related Party Transactions shall not require specific approval of the Audit Committee:
- i) Any transaction with wholly owned subsidiaries in the ordinary course of operations.
 - ii) Any transactions entered into between two wholly owned subsidiaries of the company.
 - iii) Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, and in line with the terms of Appointment

- iv) 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.

The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transaction to the Board for the approval.

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

In the event transaction, contract or arrangement with the Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board and its shareholders, as applicable.

The following types of related party transactions shall require prior approval of shareholders, subject to the provisions of Section 188 of the companies act, 2013:

- Transactions not in the ordinary course of business
- Transactions in the ordinary course of business if not done at an arm's length
- Material Related party Transactions and any subsequent modifications therein as defined under Regulation 23 of SEBI (LODR) Regulations, 2015

4. Board's Approval

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

5. Shareholders' Approval

In the case of Material Related Party Transaction or any subsequent material modifications therein as required under Act or SEBI (LODR) Regulations, 2015, the prior approval of the shareholders by way of resolution is required irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm length or both and the Related Party shall not vote to approve such resolutions.

6. Transactions at arm's length

The Company adopts generally accepted practices and principles in determining whether the transaction is at "arm's length".

7. Disclosure

Details of all transactions with related parties shall be disclosed, as required under SEBI (LODR) Regulations, 2015 and provisions of Section 134 of the Companies Act, 2013 and Rules formed thereunder.

8. Interpretation

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and Regulations made there under, SEBI(LODR) Regulations, 2015, Accounting Standards or any other relevant legislation / law applicable to the Company.

In case of any dispute or difference upon the meaning/ interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

*This policy has been approved and adopted at the Board meeting held on 10th January, 2025.