ROTOMAG ENERTEC LIMITED

(Formerly known as "Rotomag Motors and Controls Private Limited")

(U34100GJ1993PLC020063)

POLICY ON
RELATED PARTY TRANSACTIONS

1. REGULATORY FRAMEWORK

Rotomag Enertec Limited (formerly known as Rotomag Motors and Controls Pvt. Ltd.) ("**Company**") recognizes that Related Party Transactions (*as defined below*) may present potential or actual conflict of interest and may pose questions whether such transactions are in the best interests of the Company and its members or not. This policy regarding the review and approval of Related Party Transactions has been formulated in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended from time to time, to lay down principles that will guide the transactions among related parties. The policy further sets forth the procedures for dealing with the Related Party Transactions including the process for their review, approval and ratification as permitted. This policy ("**Policy**") has been framed and adopted in accordance with the Listing Regulations and the applicable provisions of Companies Act, 2013 ("**Act**") read with rules framed thereunder.

Regulation 23 of Listing Regulations requires the Company to formulate a policy on the materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of directors. In view of the above, the Company has framed this Policy on Related Party Transactions.

2. OBJECTIVE OF THIS POLICY

The objective of this Policy is to ensure that the transactions of the Company with its related parties are undertaken on the basis of best practices and in accordance with the provisions of the **Regulation 23** of Listing Regulations read with relevant provisions of Act. The Policy also sets out the process for identification of Related Parties, procedure for entering into Related Party Transactions, approval at various levels, disclosures and reporting obligations, criteria and procedure for approving Related Party Transactions, etc.

3. DEFINITIONS

3.1.1. "**Act**" shall mean Companies Act, 2013 and the rules made there under, as amended from time to time.

3.1.2. "**Arms' Length Transaction**" means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

3.1.3. "**Audit Committee**" means Audit Committee of the Company as constituted by Board of Directors of the Company.

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

3.1.5. "**Independent Director**" means a director of the Company, not being a whole-time director or nominee director and who satisfies other criteria for Independence in accordance with the applicable provisions of the Act and Listing Regulations including Section 149 of the Act and Regulation 16(1) (b) of Listing Regulations.

3.1.6. "**Key Managerial Personnel**" or "**KMP**" shall have the same meaning as defined under the Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2018.

3.1.7. **Material Related Party Transaction**" means the transaction, together with the previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company or such threshold as may be recommended under the SEBI Listing Regulations.

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 Company as per the last audited financial statements of the Company or such threshold as may be recommended under the SEBI Listing Regulations.

3.1.8. **"Related Party"** means a related party as defined under the Listing Regulations, as amended from time to time.
Provided that any person or entity forming a part of the promoter or promoter group of the Company and holding 20% or more shareholding in the company shall be deemed to be related party.

3.1.9. "**Related Party Transaction**" means a related party transaction as defined under the Listing Regulations, as amended from time to time.

3.1.10. "**Subsidiary Company**" or "**Subsidiary**" shall have the meaning as defined under the Act.

3.1.11. "**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.1.12. "**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director of the Company and the Key Managerial Personnel is responsible for disclosing (and periodically updating) particulars of his/her interest (including interest of their Relatives) in other Companies, firms or concerns at the time of their appointment, at the beginning of every financial year and any change in such interest during the year. In addition, all the Directors and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request.

4.1. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

4.2. Notice of any potential Related Party Transaction shall be provided well in advance to the Audit Committee so that it has adequate time to review the proposed Transaction.

4.3. The Compliance Officer shall maintain a database of Company's Related Parties containing the names and other applicable details of individuals and the entities, identified on the basis of the definition set forth in this policy.

5. APPROVAL OF RELATED PARTY TRANSACTIONS

This Policy will operate within the framework of **Regulation 23** of the Listing Regulations read with the Act and Rules thereunder, as amended from time to time.

5.1. Audit Committee Approval

5.1.1. All Related Party Transactions (and subsequent material modifications) shall require prior approval of the Audit Committee and only those members who are Independent Directors shall approve the Related Party Transactions. Where any director is interested in any Related Party Transaction, such director will not remain present at the meeting when such Related Party Transaction is considered. Further, 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 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 and standalone turnover, as per the last audited financial statements of the Company. Further, 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 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 and standalone turnover, as per the last audited financial statements of the Subsidiary. However, the Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

(iii) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature;

(iv) The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company;

(v) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction; (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.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1.00 Crore per transaction.

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Document Owner	Priyank Tuiwala Company Secretary
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