



# **ELECTRONICS LIMITED**

**POLICY  
ON  
MATERIALITY OF RELATED PARTY  
TRANSACTIONS AND  
ON DEALING WITH RELATED PARTY  
TRANSACTIONS**

**Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015**

## **Policy on materiality of related party transactions and on dealing with related party transactions**

### **1. Objective**

The Objective of this policy is to determine the “Materiality of Related Party Transaction” and to provide the Governance Framework to the Company in accordance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### **2. Determination of Materiality of Related Party Transaction**

A transaction with a related party shall be considered material if the transaction(s) to be entered into 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 listed entity.

### **3. Governance Framework**

- a. All Related Party transactions shall require prior approval of the Audit Committee. Transactions with wholly owned Subsidiaries are exempted from this requirement.
- b. Audit Committee may grant omnibus approval for Related Party transactions proposed to be entered into by the Company subject to the conditions mentioned in the Regulations. Audit Committee shall review, on a quarterly basis, the details of Related Party transactions entered into by the Company pursuant to the omnibus approval. Such omnibus approvals shall be valid for a period not exceeding one year.
- c. Any member of the Audit Committee who has a potential interest in any Related Party transaction will abstain from discussion and voting on the approval of the Related Party transaction.
- d. In the event such contract(s) or arrangement(s) is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the applicable regulations and obtain approval of the Board of Directors or its Shareholders, as applicable.

### **4. Approval of the shareholders**

All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

### **5. Reporting of Related Party transactions**

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement. The Company shall maintain

Register of Contracts as required under the applicable Regulations. The Company shall make appropriate disclosures on Related party transactions as required under the Regulations.

**6. Policy Review**

This Policy shall be subject to review as may be deemed necessary by the Board of Directors /Audit Committee and in accordance with any Regulatory Amendments.

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