SALZER ELECTRONICS LIMITED

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POLICY ON

RELATED PARTY TRANSACTIONS

(Pursuant to Securities Exchange Board of India, (Prohibition of Insider Trading) Regulations, 2015)

Approved by the Board on April 01, 2015 and last reviewed on May 24,2025

POLICY ON RELATED PARTY TRANSACTIONS

1. Purpose of this policy:

Salzer Electronics Limited ("Salzer" or "Company") is governed, amongst others, by the rules and regulations framed by Securities and Exchange Board of India ("**SEBI**"). SEBI, vide Regulation 23(1) of SEBI (Listing Obligations and Disclosures Requirement) Regulations 2014, has mandated every listed company to formulate a policy on materiality of Related Party Transactions ("RPT") and also on dealing with Related Party Transactions.

1.1 Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.

1.2 The Board of Directors of the Company ("Board") on recommendation of the Audit Committee of the Company ("Audit Committee") shall review the Policy once in three years and may amend the same from time to time.

2. Definitions

a. "**Act**" shall mean the Companies Act, 2013 and includes any amendment thereof.

b. **"Arm's length transaction**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

c. **"Audit Committee or Committee**" means the Audit Committee of Board of Directors of the Company

d. **"Board" or "Board of Directors**" means the Board of Directors of the Company, as constituted from time to time;

e. "**Companies Act**" means the Companies Act, 2013 together with the rules and regulations formulated thereunder, as amended from time to time; "Director" means person as defined in Section 2(34) of the Companies Act;

f. **Key Managerial Personnel" or "KMP**" means the managerial personnel as defined under Section 2(51) of the Companies Act;

g. "**Material Related Party Transactions** "- means an Related Party

Transactions or RPT with thresholds as prescribed under the Listing Regulations and the Companies Act 2013

Nature of Transactions	**Materiality as per Companies Act, 2013**	**Materiality as per SEBI LODR**
Sale, purchase or supply of any goods or materials directly or through appointment of agents	Exceeding 10% or more of Turnover or Rs.100 Crores, whichever is lower	transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower
Buying, selling or disposing of property of any kind directly or through appointment of agents	Exceeding 10% or more of Net-worth or Rs.100 Crores, whichever is lower.	
Leasing of any kind of property	Exceeding 10% or more of Net-worth or 10% or more of Turnover or Rs.100 Crores, whichever is lower	
Availing or rendering of any services directly or through appointment of agents	Exceeding 10% or more of Turnover or Rs.50 Crores, whichever is lower.	
Appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs.2,50,000.	
Remuneration for underwriting the subscription of any securities in or derivatives thereof	Exceeding 1% of net worth	
Transfer of resources, services or obligations		

The Turnover or Net Worth referred in the above table shall be computed on the basis of the Audited Financial Statement of the preceding financial year.

"Related Party Transaction" means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a Related Party and include:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- Underwriting the subscription of any securities or derivatives thereof, of the Company;

A "transaction" with a Related Party shall be construed to include 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.

h. **"Material modification"** means any subsequent change to an existing RPT, having variance of 20% of the existing limit or Rs.2 crores whichever is higher.

i. **"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.

j. **"Policy"** means this Related Party Transactions Policy;

k. "**Related Party**" means a party as defined in Section 2(76) of the Companies Act, 2013 read with Rules thereto and clause (zb) of Regulation 2 of the Listing Regulations

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

Words and expressions used in this policy not specifically defined will have the same meaning assigned to them in the Companies Act, Rules framed thereunder, SEBI (LODR) Regulations and the applicable Accounting Standards.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

3. Review and approval of Related Party Transaction

Approval of Related Party Transactions

3.1. Audit Committee

3.1.1 All the transactions which are identified as Related Party Transactions and subsequent modifications thereof shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

3.1.2 Only those members of the audit committee, who are independent directors, shall approve related party transactions

3.1.3 Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (a) not in the ordinary course of business, or (b) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs

3.1.4 The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing

Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year

3.1.5 The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

3.1.6 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

3.1.7 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, shall be placed before the Audit Committee for ratification.

Provided that the Audit Committee may ratify such a transaction if the value does not exceed Rs.1 crore, and the transaction is in the ordinary course of business and on arm's length basis.

3.1.8 In case the Audit Committee does not ratify the transaction, appropriate measures shall be taken by the Company, including discontinuation or revision of the transaction as deemed necessary, to comply with regulatory requirements.

4. Board of Directors

4.1 In case any Related Party Transactions referred by the Company 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 like nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

5. Shareholders

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations and the Companies Act 2013, or (ii) not in the ordinary course of business, or not at arm's length price, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

6. Amendment

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy

6.1. The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

6.2. In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy

7. Reporting of Related Party Transactions

i) Every contract or arrangement, which is required to be approved by the Board or the 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

ii) The details of all transactions with related parties shall be submitted, in

the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

8. Limitation and Amendment

i) In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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