

GFCL EV PRODUCTS LIMITED
RELATED PARTY TRANSACTIONS POLICY

1. Preface

The Board of Directors (the “Board”) of GFCL EV Products Limited (the “Company”) has adopted the following Policy (the “Policy”) to determine Related Party Transaction and also dealing with Related Party Transactions.

The Policy has been formulated in order to comply the provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder.

2. Objective:

This Policy has been framed to provide the governance framework for Related Party Transactions to be entered into by the Company with the Related Parties and to set out the thresholds for related party transactions.

3. Definitions:

All the definition mentioned in this policy shall be pursuant to the Companies Act, 2013 including all the amendments and modification thereof from time to time.

- a) **“Arms’ Length Transactions”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- b) **Audit Committee or Committee** means a Committee of Directors of the Company, as constituted from time to time under Section 177 of the Companies Act, 2013.
- c) **“Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.
- d) **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.;
- e) **“Related Party Transaction/s”** means a transaction involving a transfer of resources, services or obligations between:

- 1.
- 2. 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
- 3. a 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, with effect from April 1, 2023; 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:

- 1. 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;
- 2. the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - 1. payment of dividend;
 - 2. subdivision or consolidation of securities;
 - 3. issuance of securities by way of a rights issue or a bonus issue; and
 - 4. buy-back of securities.
- 3. 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;
- 4. **Related Party Transactions requiring prior approval of the Shareholders of the Company (Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014):**

Contracts or arrangements with respect to the transaction /s with Related Party as defined under Section 188 (1) (a) to (e) of the Companies Act, 2013 shall require prior approval of the Company if they are as per criteria mentioned below:

- i. sale, purchase or supply of any goods or material directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company as mentioned in clause (a) and clause (e) respectively of sub-section (1) of Section 188;
- ii. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent amounting to ten percent or more of net worth of the company as mentioned in clause (b) and clause (e) respectively of sub-section (1) of Section 188;
- iii. leasing of property of any kind amounting to ten percent or more of the turnover of the company as mentioned in clause (c) of sub-section (1) of Section 188;
- iv. availing or rendering of any services directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of Section 188;
- v. appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding Two and half lakhs rupees as mentioned in clause (f) of sub-section (1) of Section 188; or
- vi. remuneration for underwriting subscription of any securities or derivatives thereof of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of Section 188;

Explanation

It is clarified that the limits specified in (i) to (iv) shall apply for transaction/s to be entered into either individually or taken together with previous transactions during a Financial Year.

The Turnover and Net Worth referred above shall be on the basis of the Audited Financial Statement of the preceding Financial Year.

5. Procedure for approval of Related Party Transactions

- a) All Related Party Transactions or any subsequent modifications of such transactions shall require prior approval of the Audit Committee and only disinterested Directors are required to approve transactions with Related Parties. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company for a period not exceeding one year subject to the following conditions:
 - 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;
 - The Audit Committee shall satisfy itself with the need for such omnibus approval keeping in view the interest of the Company;
 - The Audit Committee shall specify in the omnibus approval (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any.
 - In case the need for Related Party Transaction cannot be foreseen and the details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crores per transaction. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
 - Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- b) All Related Party Transactions which are in Ordinary Course of Business and approved by the Audit Committee shall be placed before the Board to take note of the same.
- c) All Related Party Transactions which are either not (a) in the ordinary course of business or (b) on arm length's basis shall require prior approval of the Board.

6. Communication of this Policy

A copy of this policy shall be handed over to the Directors of the Company within one month from the date of approval by the Board or committee, as the case may be. This Policy shall also be posted on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

7. Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company or any Committee authorised by the Board. The Board of Directors or such Committee authorised by the Board shall have the right to withdraw and / or amend any part of this policy or the entire policy, at any time, as it deems fit, or from time to time, and the decision of the Board or such Committee authorised by the Board in this respect shall be final and binding. Further the said

policy shall be reviewed by the by the Board of Directors or any committee authorised by the Board at least once every three years and updated accordingly.

Name of Policy	Related Party Transactions Policy
Created by	Secretarial Department
Approved by	Board of Directors
Effective from	14-11-2024