



HIGH ENERGY BATTERIES (INDIA) LIMITED

Policy on Related Party Transactions

(Pursuant to Regulation 23 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015)

1. Preamble

- (i) The Board of Directors ("the Board") of High Energy Batteries (India) Ltd ("the Company") have adopted this policy and associated procedures with regard to Related Party Transactions (RPT). This has been framed in deference to the requirements of Sec.188 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations 2015.
- (ii) This policy applies to transactions between the company and one or more of its Related Parties. It provides a framework for governance and reporting of RPT including material transactions.

2. About the Company

The company belonging to SPB Group which is professionally managed is deeply committed to the core values of corporate governance concepts. It strives to maintain the highest ethical standards in the conduct of business and has steadfastly stood for the principle of arm's length dealing with Related Parties.

3. Objective of the Policy

- (i) This policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the company and any of its Related Parties having regard to the potential or actual conflicts of interest that may arise because of entering into these RPTs. Its cardinal objective is compliance with the applicable Laws and Regulations.



- (ii) The provisions of this policy are designed to govern the approval process and disclosure requirements to achieve transparency in the conduct of RPT in the best interest of the company and its shareholders.

4. Definitions

Words and expressions used in this policy shall have the meanings assigned to them in the Companies Act, 2013 read with relevant Rules thereof, Accounting Standard and/ or other applicable Regulations.

5. Materiality thresholds

- (i) As per the Explanation under Regulation 23(1), a transaction with 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 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements.
- (ii) The company shall follow the materiality threshold stipulated as above based on its turnover as per the last audited financial statements.

6. Identification of RPT

- (i) The Company Secretary will use the disclosures under Sec.189(2) of the Companies Act, 2013, engage with the MD & CFO and keep constant track of potential RPT for early identification.
- (ii) An employee of the company who is aware of any transaction that is or may be perceived to be an RPT shall bring the same to the attention of Audit Committee through the Company Secretary.
- (iii) All Directors and KMPs are responsible for providing notice to the Company Secretary of any potential RPT involving them or their relatives, including any additional information about the transaction that the Audit Committee may require.

7. Terms of the policy

(i) Approval of Audit Committee

All RPTs of the company as prescribed under the Companies Act, 2013 and the Listing Regulations will be approved by the Audit Committee of the Board.

(ii) Omnibus Approval

- (a) The company may obtain omnibus approval from the Audit Committee in respect of RPTs that are repetitive in nature.
- (b) The Audit Committee will lay down the criteria for granting the omnibus approval in line with the policy.
- (c) The Audit Committee shall, after obtaining the approval of Board of Directors, specify the criteria for giving omnibus approval. It shall follow the requirements under Rule-6A of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

The company may obtain omnibus approval from the Audit Committee in respect of RPTs that are repetitive in nature. The Audit Committee will lay down the criteria for granting the omnibus approval in line with the policy. Such omnibus approval shall be in terms of the Listing Regulations as amended from time to time.

(iii) Circular Resolution

In an unforeseen event where an RPT not covered by omnibus approval needs to be entered due to business exigencies between two Audit committee meetings, the Audit Committee may approve such RPT by passing a resolution by circulation.

(iv) Ratification

Ratification of an RPT after its commencement or completion will be approved by the Audit Committee only in exceptional circumstances and after recording the justification for its decision in writing. While so ratifying, the Audit Committee may impose such conditions or modifications as it deems fit.



An RPT entered into without prior approval or not covered by the omnibus approval of Audit Committee shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly and reasonably as practicable after being noticed as an RPT.

(v) *Board review*

If the Audit Committee determines that a particular RPT should be brought before the Board or if the Board on its own accord elects to review any such matter or it is mandatory under any law for the Board to approve such RPT, then the Board shall consider and approve such RPT. In doing so, the Board may impose such condition or modification as may be necessary or appropriate under the circumstances.

(vi) *Shareholder approval*

- (a) All material RPTs shall require the approval of shareholders through Special or Ordinary Resolution as specified under the Companies Act, 2013 and SEBI Regulations, from time to time.
- (b) The concerned Related Party or all the Related Parties as stipulated under the Companies Act, 2013 and SEBI Regulations, from time to time shall abstain from voting on such Resolution.

All RPTs in excess of the limits prescribed under the Companies Act, 2013 from time to time that are not in the ordinary course of business or are not at arm's length shall require the prior approval of shareholders as prescribed and the concerned Related Party shall abstain from voting thereon. For this purpose, the Board shall determine on the recommendations of Audit Committee whether or not the transaction is in the ordinary course of business and/ or at arm's length. In doing so, the Board at its discretion may seek expert professional opinion and rely on same.

8. Transactions not requiring approval

Notwithstanding the foregoing, the following RPTs shall not require the approval of Audit Committee, Board or Shareholders except where required under specific provisions of the Companies Act:



- (i) Transactions pertaining to the appointment and remuneration of Directors and KMPs that are already approved by the Nomination cum Remuneration Committee of the Board and also the reimbursement of reasonable expenses incurred by them in the normal course of business.
- (ii) Transactions that have been approved by the Board under specific provisions of the Companies Act, 2013.
- (iii) Transactions in which Related Party's interest arises solely from ownership or securities issued by the company where all security holders including Related Party receive benefits on pro-rata basis.

9. General

- (i) The company, the Audit Committee or the Board shall comply with applicable provisions of the Companies Act, 2013 read with relevant Rules, Circulars/ clarifications thereof, Listing Regulations and Accounting Standard. The approval process, voting rights, disclosures shall all be in strict compliance of extant Rules and Regulations.
- (ii) This policy will be communicated to all operational heads and other concerned employees of the company.
- (iii) This policy shall be disclosed on the website of the company and the web link thereto shall be provided in the Annual Report.
- (iv) The Board or the Audit Committee may amend the policy from time to time as may be required.
- (v) Any interpretation, determination or other action taken by the Audit Committee or the Board shall be final and binding on the concerned Related Party.