

## Policy on materiality of Related Party Transactions and dealing with Related Party Transactions

### A. Preamble

The Board of Directors (the "**Board**") of Quality Power Electrical Equipments Limited (the "**Company**") has adopted the following policy and procedures with regard to the Related Party Transactions as defined below. The Audit Committee shall review and may propose amendments to this policy as may be required.

The policy will be applicable to the Company. This policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

### B. Basic Guidelines

The Policy has been framed and adopted by the Company in compliance with the provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**") and such other Rules/Regulations, as may be notified by the Government/ SEBI from time to time and the Companies Act, 2013 (the "**Act**") and the Companies (Meetings of Board and its Powers) Rules, 2014 (the "**Rules**"), as amended from time to time.

Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

### C. Objective

Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. Related Party Transactions can present a potential or actual conflict of interest, which may be against the best interests of a company and its shareholders. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder ("Companies Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") require the companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the SEBI Listing Regulations, as amended from time to time, and other applicable provisions, if any (*collectively referred to as the "**Applicable Regulatory Provisions**"*) require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

Accordingly, the Board of Directors ("Board") of the Company have adopted the following policy with regard to related party transactions. The Audit Committee of the Company will review this policy (the "Policy") on an annual basis and propose any modifications to the Board for approval.

**D. Definitions**

***“Act”***

“Act” means the Companies Act, 2013, as amended from time to time.

***“Arm’s Length Transaction”***

shall mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

***“Associate”***

shall mean a Company as defined under section 2(6) of the Act and as defined by Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and by Accounting Standard (AS) 18, "Related party disclosures".

***“Audit Committee or Committee”***

shall mean the Audit Committee of the Board of Directors of the Company constituted under Section 177 of the Act and Regulations 18 of the SEBI Listing Regulation;

***“Board”***

shall mean the Board of Directors of the Company.

***“Control”***

means control as defined in Section 2(27) of the Act and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

***“Industry Standards”***

shall mean the industry standards on “Minimum Information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transactions” as issued by Industry Standards Forum and notified by SEBI vide its circular dated June 26, 2025.

***“Key Managerial Personnel”***

shall mean the officers of the Company as defined in Section 2(51) of the Act and other applicable provisions, if any, as amended from time to time and includes:

- i) Managing Director, or Chief Executive Officer or Manager;
- ii) the Whole Time Director;
- iii) Company Secretary;
- iv) Chief Financial Officer;
- v) such other officer, not more than one level below the directors, who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi) such other officer as may be prescribed.

***“Policy”***

shall mean this Related Party Transaction Policy, as amended from time to time.

***"Material Related Party Transaction"***

as per the SEBI Listing Regulations and Companies (Meetings of Board and its Powers) Rules, 2014:

Without prejudice to the foregoing, at present, as per the explanation to Regulation 23(1) of the SEBI Listing Regulations, this term means a transaction with a related party if (a) the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company, whichever is lower or (b) 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 percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

As per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, relating to the threshold limits for determining the materiality of transaction(s).

***"Material Modifications"***

shall mean any modification with respect to the following:

Any modification to an existing Related Party Transaction having a variance of 20% of the existing limit as sanctioned by the Audit Committee/ Board/ Shareholders, as the case may be.

***"Ordinary course of business"***

with reference to a transaction with a related party means the usual transaction which is:

- i) carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
- ii) historical practice with a pattern of frequency;
- iii) common commercial practice; or
- iv) meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time.

***"Relative"***

means any person as per Section 2(77) of the Act and rules prescribed thereunder, and as per Regulation 2(1)(zd) of the SEBI Listing Regulations as amended from time to time.

With reference to any person, means who is related to another, if: -

- (i) They are members of a Hindu Undivided Family;
- (ii) They are Husband or wife or
- (iii) One person is related to another in the following manner, namely:
  - a. Father includes step-father.
  - b. Mother includes step-mother.
  - c. Son includes step-son.
  - d. Son's wife.
  - e. Daughter.
  - f. Daughter's husband.
  - g. Brother includes step-brother.
  - h. Sister includes step-sister.

### ***"Related Party"***

as defined under the SEBI Listing Regulation – shall mean a related party as defined under section 2(76) of the Act or under the applicable accounting standards: Provided that:

- a. any person or entity forming a part of the promoter or promoter group of the company; or
- b. any person or any entity, holding equity shares of ten percent or more, in the company directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.

Under Section 2(76) of the Companies Act or Regulation 2(1)(zb) of the SEBI Listing Regulations or under applicable accounting standards, as referred above, a Related Party with reference to a company means —

- (i) a director or his relative;
- (ii) a Key Managerial Personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds, along with his relatives, more than two per cent. of its paid-up share capital;

- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager [Except advice, directions or instructions given in a professional capacity];
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act [except advice, directions or instructions given in a professional capacity]
- (viii) any body corporate which is—
  - (a) a holding, subsidiary or an associate company of such company;
  - (b) a subsidiary of a holding company to which it is also a subsidiary; or
  - (c) an investing company or the venturer of the company;
- (ix) such other person as may be prescribed, who shall mean a director, other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

***"Related Party Transactions"***

in relation to the Company means a transaction with a related party as defined in 2 (1) (zc) of the SEBI Listing Regulations and under the relevant provisions of the Act or any relevant Indian Accounting Standards, as amended from time to time.

as defined under the SEBI Listing Regulation – shall mean a transfer of resources, services or obligations between (i) the Company or any of its subsidiaries on one hand and a related party of the company or any of its subsidiaries on the other hand, (ii) the Company 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 company or any of its subsidiaries 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.

Under Section 188 of the Act, contracts or arrangements with a related party with respect to:

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;

- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof of the Company.

Collectively, the Related Party Transaction shall constitute the above.

**"Subsidiary"**

means a subsidiary as defined in regulation 2 (1) (zm) of the SEBI Listing Regulations;

means a Company as defined under section 2 (87) of the Act, and as defined by Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and by Accounting Standard (AS) 18, "Related party disclosures".

**"SEBI Listing Regulations"**

means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, the SEBI Listing Regulations, Accounting Standard 18 or any other applicable regulation.

**E. Interpretation**

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the SEBI Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

The reference to the masculine gender in the Policy shall be deemed to include a reference to feminine gender.

In case of any dispute or difference upon the meaning / interpretation of any word or provision in this policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee shall be final. In interpreting such terms/provisions, the Audit Committee may seek the help of any of the officers of the Company or an external expert as it deems fit.

Procedure:

1. Disclosure by Directors & KMP and Identification of the Related Parties
  - a. The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1) (zb) of the SEBI Listing Regulations.
  - b. Every director and KMP shall at the beginning of the financial year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of Relatives which are regarded as Related Party as per this Policy.
  - c. The aforementioned disclosures shall be submitted to the Company (i) at the time of appointment of such person to office; (ii) at the first meeting of the Board held in every financial year, and (iii) whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.
  - d. Directors shall also make continual disclosures during the financial year, as regards their new directorships by submitting updated forms to the Company for ensuring compliance under Applicable Law and this Policy.
2. Identification of Transaction with Related Parties
  - a. Each director and Key Managerial Personnel are responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request. Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.
  - b. Each director and Key Managerial Personnel shall make an annual declaration as per the provisions of the Companies Act and the rules framed thereof with respect to Related Party transactions to the Company in the last month ending before the financial year and this declaration shall be placed before the Audit Committee and the Board at their first meeting held at the succeeding financial year.
  - c. Any change in the list of Relatives shall be intimated by the Directors and KMPs by way of a fresh declaration to the Company.

**F. Approval of Related Party Transactions & its Material Modifications**

a. **Approval of Audit Committee**

1. Related party transactions and subsequent material modifications will be referred to the next regularly scheduled meeting of the Audit Committee for review and approval. Any member of the Audit Committee or the Board who has potential interest in any Related Party Transaction will, in terms of Rule 15(2) of the Companies (Meeting of Board and its Powers) Rules 2014 shall not be present at the

meeting during the discussions on the subject matter, and shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction. Further, a related party transaction to which only subsidiary of a company, where applicable, is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company 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 standalone turnover, as per the last audited financial statements of the subsidiary.

2. All Related Party Transactions and any subsequent Material Modifications shall be undertaken only after prior approval of the Audit Committee, and these transactions should be approved only by Independent Directors of the Audit Committee.
3. Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except those who are part of the promoter or promoter group, shall not require approval of the audit committee, provided that the same is not material in terms of Regulation 23 of SEBI Listing Regulations.
4. The Audit Committee shall consider the following factors while deliberating the related party transactions for its approval:
  - i. Name of party and details explaining nature of relationship;
  - ii. Duration of the contract and particulars of the contract and arrangement;
  - iii. Nature of transaction and material terms thereof including the value, if any;
  - iv. Manner of determining the pricing to ascertain whether the same is on arm's length;
  - v. Business rationale for entering into such transaction; and
  - vi. Any other information relevant or important for the Board to take a decision on the proposed transaction.
5. In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
  - i. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
  - ii. Whether there are any compelling business reasons/rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
  - iii. Whether the Related Party Transaction would affect the independence of an independent director;
  - iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
  - v. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company;
  - vi. Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board / Committee deems relevant.

6. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary, subject to the following conditions:
  - i. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions of the Company, and such approval shall be applicable in respect of transactions which are repetitive in nature;
  - ii. The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company;
  - iii. Such omnibus approval shall specify (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 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, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction;
  - iv. Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given; and
  - v. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
7. The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
  - i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
  - ii) the transaction is not material in terms of the provisions of Reg. 23 (1) of the SEBI Listing Regulations;
  - iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
  - iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the Reg. 23 (9) of SEBI Listing Regulations;
  - v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

## **b. Approval of Board of Directors**

All Related Party Transactions within the scope of Section 188 of the Act and Regulation 23 of the SEBI Listing Regulation, which are not in the Ordinary Course of Business and not at an arm's length shall require prior approval of the Board.

In addition, the following Related Party Transactions shall also be placed before the Board for approval:

1. In case of Related Party Transaction which is not in the ordinary course of business or not at arm's length transaction, whether or not it is a material Related Party Transaction, prior approval of the Board through a resolution passed at the meeting of the Board shall be necessary.
2. Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
3. The policy shall be reviewed by the Board on a yearly basis.
4. Material Related Party Transactions and any subsequent Material Modifications to Related Party Transactions, which are intended to be placed before the shareholders for approval.
5. All other Related Party Transactions as referred by the Audit Committee from time to time.

Information in such form and manner as prescribed in the Act and/or SEBI Listing Regulations shall be provided to the Board.

Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

## **c. Shareholders' approval**

1. All material related party transactions including material modifications (if any), shall require prior approval of the shareholders through resolution and no Related Party shall vote on such resolutions whether the entity is a Related Party to the particular transaction or not. However, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
2. All material related party transactions, including material modifications to which the only listed subsidiary is a party, subject to the applicability of Regulations 23 and 15(2) to such listed subsidiary, may be approved by the shareholders of the listed subsidiary.
3. If a related party transaction is not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds as prescribed under Section 188 of the Companies Act, SEBI Regulations, it shall require shareholders' approval by a resolution. The Related Parties shall abstain from voting as shareholders in the case of Related Party Transactions which require the approval of shareholders.

4. However, the shareholders' approval is not required for the transactions entered into between the Company and its wholly owned subsidiaries or two wholly owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval and transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

**d. Process for Dealing with Related Party Transactions**

1. A list of all the related parties in relation to the Company received from the Board shall be updated from time to time.
2. Basis the above-mentioned list of related parties, every department shall, prior to entering into any contract or arrangement with a related party, ascertain whether the proposed contract or arrangement satisfies the approval mechanism prescribed under this Policy.
3. The contract/arrangement shall not be entered into without the necessary approval from the Audit Committee/Board/shareholders, as the case may be. Compliance with this condition will strictly be adhered to by the department concerned proposing the underlying contract or arrangement.

**e. Reporting of Related Party Transactions**

1. 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.
2. The details of material transactions with related parties will be included in the corporate governance reports, which are required to be submitted to the stock exchanges on a quarterly basis.
3. The Company shall disclose the policy on dealing with Related Party Transactions on its website, and a web link thereto shall be provided in the Annual Report of the Company.
4. Further, the Company shall submit to the stock exchange disclosures of related party transactions in the format as specified by the Board from time to time every six months on the date of publication of its standalone and consolidated financial results and publish the same on its website at [www.qualitypower.com](http://www.qualitypower.com).

**G. TRANSACTIONS FOR WHICH SEPARATE APPROVAL FOR RELATED PARTY TRANSACTION IS NOT REQUIRED**

The transactions or arrangements that are specifically dealt under the separate provisions of the Law and executed under the separate approvals/procedures from the relevant competent authority or Board Committee, as the case may be, shall be deemed to be approved under this Policy and are not required to be separately approved under this Policy.

Such transactions are enumerated below:

- i) Share-based incentive plans (including ESOPs) for the benefit of the Directors and/or Key Managerial Personnel, pursuant to the approval of the Shareholders.

- ii) Any benefits, interest arising to Related Party solely from the ownership of Company's shares at par with other holders, for example, dividends, rights issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.
- iii) Contribution to Corporate Social Responsibility (CSR) obligations, which are approved by the CSR Committee and within the overall limits approved by the Board of Directors of the Company.
- iv) Transactions arising out of corporate restructuring, compromises, arrangements and amalgamations dealt with under specific provisions of the Act will not attract the requirements of Section 188 of the Companies Act.

**H. APPLICABILITY OF INDUSTRY STANDARDS ON MINIMUM INFORMATION TO BE PROVIDED FOR REVIEW OF THE AUDIT COMMITTEE AND SHAREHOLDERS FOR APPROVAL OF A RELATED PARTY TRANSACTION**

These standards, as provided by Industry Standards Forum and SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025, with effect from September 01, 2025, are structured as under:

**Part A:** This Part of the Standards captures the minimum information of the proposed RPT and is applicable to all Related Party Transactions placed for review and approval by the Audit Committee.

**Part B:** This Part is applicable only if a specific type of RPT is proposed to be undertaken and is in addition to Part A. *Seven types of RPTs have been specified as per the circular.*

**Part C:** This Part is applicable to material Related Party Transactions placed for approval of both the Audit Committee and shareholders. and is in addition to Part A and Part B (with respect to such RPT).

These Industry Standards are not applicable for:

- i) Transactions exempted under Regulation 23(5) of SEBI LODR Regulations i.e.:
  - a) Transactions entered into between two public sector Companies
  - b) Transactions between a holding company and its wholly owned subsidiary Company.
  - c) Transactions between two wholly-owned subsidiaries of the listed holding company.
  - d) Transactions involving payment of statutory dues, fees, or charges between an entity and the Central or State Government.
  - e) Transactions between a public sector company and the Central and/or State Government.
- ii) Quarterly review of Related Party Transactions by the Audit Committee in terms of Regulation 23(3)(d) of SEBI LODR Regulations.
- iii) Transactions (individually or together) not exceeding Rupees One Crore.

With effect from September 01, 2025, or such other date as may be prescribed by SEBI, the Related Party Transactions entered into by the Company shall be required to obtain the following approvals by disclosing information provided below:

## 1. Audit Committee:

- a) Minimum Information to be provided to the Committee to approve the Related Party Transactions as prescribed under the SEBI Circular.
- b) Additional information to be provided for specific types of Related Party Transactions as provided in the SEBI Circular for the below:
  - i) Sale/Purchase/Supply of goods or services/any other similar business transaction/trade advances
  - ii) Loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary:
  - iii) Investment made by the listed entity or its subsidiary:
  - iv) Guarantee (including performance guarantee in the nature of security or contractual commitment impacting the issuer monetarily)/surety/indemnity/ comfort letter, by whatever name called, made or given by the listed entity or its subsidiary:
  - v) Borrowing by the listed entity or its subsidiary:
  - vi) Sale/ lease/ disposal of assets of a subsidiary/unit/division/undertaking of the listed entity/disposal of shares of a subsidiary or associate
  - vii) Transactions relating to payment of royalty
- c) Additional information to be provided for Specific Material Related Party Transactions as provided in the SEBI Circular for the below:
  - i) Transactions relating to any loans and advances (other than trade advances), inter-corporate deposits given by the listed entity or its subsidiary:
  - ii) Investment made by the listed entity/Subsidiary
  - iii) Guarantee (including performance guarantee in the nature of security or contractual commitment impacting the issuer monetarily)/surety/indemnity/ comfort letter, by whatever name called, made or given by the listed entity or its subsidiary
  - iv) Borrowing by the listed entity or its subsidiary
  - v) Sale/lease/ disposal of assets of a subsidiary or of unit/ division/undertaking of the listed entity/disposal of shares of a subsidiary or associate
  - vi) Payment of Royalty

## 2. Shareholders:

The explanatory statement of notice of general meeting for an informed decision making about proposed related party transactions shall provide requisite disclosures as prescribed in the said SEBI Circular.

Also, SEBI vide circular on 13<sup>th</sup> October 2025 stated that the above requirements shall not be applicable to transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) which does not exceed Rupees One Crore.

## **I. Amendments to the Policy**

Any change in the Policy shall be approved by the Board of the Company. 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 in this respect shall be final and binding. The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any subsequent amendment/modification in the Act or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

This amended policy has been adopted by the Board at its meeting held on 12<sup>th</sup> November 2025.

## **J. Communication of this Policy**

This Policy shall be posted on the website of the Company at [www.qualitypower.com](http://www.qualitypower.com).