

## **ATHER ENERGY LIMITED**

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

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## 1. Introduction

Ather Energy Limited (“Company”) has formulated this Policy with the objective of regulating the related party transactions and ensuring compliance with the provisions stipulated in the Companies Act, 2013 (the “Act”) and the SEBI Listing Regulations.

## 2. Definitions

- 2.1 **“Accounting Standards”** means accounting standards as prescribed by under Section 133 of the Act.
- 2.2 **“Act”** means Companies Act, 2013, together with rules framed thereunder and includes any amendments thereof.
- 2.3 **“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.
- 2.4 **“Audit Committee”** or **“Committee”** means the Audit Committee of the Board constituted in accordance with the Act and SEBI Listing Regulations.
- 2.5 **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time as per the Act and SEBI Listing Regulations.
- 2.6 **“RPT Industry Standards”** means standards formulated and/or amended, from time to time, by the Industry Standards Forum, under the aegis of the Stock Exchanges, in consultation with SEBI, for minimum information to be provided to the Audit Committee and shareholders for approval of Related Party Transactions.
- 2.7 **“Key Managerial Personnel (KMP)”** shall mean the Key Managerial Personnel of the Company as defined under the Act.
- 2.8 **“Material Modification”** shall mean any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee/ Board/ Shareholders, as the case may be.
- 2.9 **“Material Related Party Transaction”** shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations and/or contracts or arrangements provided under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, requiring shareholder’s approval.
- 2.10 **“Policy”** shall mean this policy on materiality of and dealing with RPT.
- 2.11 **“Ordinary Course of Business”** with reference to transactions with a related party shall mean transactions/activities that are connected to or necessary for the business of the Company. Every transaction capable of being entered into by the Company for the purpose of carrying its business or those transactions that companies engaged in similar business activities usually entered into shall be deemed to be a transaction in the Ordinary Course of Business.
- 2.12 **“Related Party”** shall have the same meaning as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations.
- 2.13 **“Related Party Transaction or RPT”** 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 relevant Indian Accounting Standards, as amended from time to time.
- 2.14 **“Subsidiary”** means a subsidiary as defined in regulation 2(1)(zm) of the SEBI Listing Regulations;
- 2.15 **“SEBI Listing Regulations”** means the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

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Any other term used but not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Accounting Standards, as applicable and amended from time to time.

### **3. Objective**

- 3.1 Ensure compliance with regulatory provisions governing RPTs under the Act, SEBI Listing Regulations, and any other legislation if any, both in letter and spirit.
- 3.2 Uphold high standard of Corporate Governance, transparency, probity, and ethical standards in all dealings of the Company with Related Parties such that its reputation is well protected and to maintain highest level of trust and confidence of investors, regulatory authorities and all other stakeholders.
- 3.3 Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner and outline the procedures for identification, review, disclosure, and reporting of such transactions.

### **4. Identification of Related Party**

- 4.1 The Related Party of the Company shall be identified and ascertained in light of the aforementioned definition of the Related Party.
- 4.2 Every Promoter, Director and KMP of the Company shall be responsible for providing a list of his/her Related Party to the Company. The disclosure 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/or (iii) whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.
- 4.3 The Board shall take note of such disclosures and maintain database of Company's Related Parties.
- 4.4 Any questions as to whether a person is a Related Party or not shall be determined by the Committee.

### **5. Identification of Related Party Transaction(s)**

- 5.1 The Audit committee or Compliance officer or Chief Financial Officer or any other person as identified by the Board from time to time, shall be responsible to determine whether a transaction indeed constitutes a Related Party Transaction in terms of the provisions of the Act, SEBI Listing Regulations and Accounting Standards, and shall seek necessary approval(s) prior to entering into the Related Party Transaction(s) in terms of the Policy.
- 5.2 The Audit Committee may seek expert advice, if it deems fit, on any matters relating to interpretation of relevant clauses under the Policy, Act, SEBI Listing Regulations, and/or Accounting Standards.

### **6. Omnibus approval by the Audit Committee**

- 6.1 The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or subsidiary subject to the following conditions, namely-
  - 6.1.1 The Audit committee shall specify the criteria for granting the omnibus approval of Related Party Transactions in line with Policy and such approval shall be applicable in respect to transactions which are repetitive in nature;

6.1.2 The Audit committee shall satisfy itself regarding the need for such omnibus approval in the interest of the Company;

6.1.3 The criteria for granting the omnibus approval shall include the following:

- The maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- the maximum value per transaction which can be allowed;
- extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- transactions which cannot be subject to the omnibus approval by the Audit Committee.

6.1.4 The omnibus approval shall specify:

- the name(s) of the related party, nature of transaction, duration/period of transaction, maximum amount of transaction that can be entered into,
- the indicative base price / current contracted price and the formula for variation in the price, if any; and
- such other conditions as the Audit Committee may deem fit.

Further, where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One (1) Crore per transaction.

6.1.5 The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or subsidiary pursuant to omnibus approvals given.

6.1.6 Such omnibus approvals shall be valid for a period not exceeding one (1) year and shall require fresh approvals after the expiry of one (1) year.

## 7. Prior approval of RPTs and subsequent Material Modifications

All RPTs and any subsequent Material Modifications shall require prior approval as per the details set out in table below:

S No	Regulation/ Section	Approval by	Transaction
1	Regulation 23(2) of SEBI Listing Regulations	<b>Audit Committee</b>  (Only those members of the audit committee, who are independent directors, shall approve RPTs)	All RPTs and any subsequent Material Modification shall be undertaken only after prior approval of the Audit Committee.  The Audit Committee shall be provided with requisite information for approval of each Related Party Transaction.  An RPT to which the Subsidiary of the Company 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

			<p>with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the Company.</p> <p>Information in such form and manner as prescribed in the Act, RPT Industry Standards, and/or SEBI Listing Regulations shall be provided to the Audit Committee.</p> <p><b>Exemptions:</b> Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of regulation 23 (1) of SEBI Listing Regulations.</p>
2	Section 188(1) of the Act and Regulation 23(4) of the SEBI Listing Regulations	<p><b>Board of Directors</b></p> <p>(Where any director is interested (Interest as defined under Section 184 of the Act) in any contract or arrangement with a Related Party, such director shall not participate in discussions on the subject matter during the meeting relating to such contract or arrangement and shall not vote on the item of business)</p>	<p>All RPTs within the scope of Section 188 of the Act, which are not in the ordinary course of business and not at an arm's length shall require prior approval of the Board.</p> <p>In addition, the following RPTs shall also be placed before the Board for approval:</p> <ul style="list-style-type: none"> <li>• Material RPTs and any subsequent Material Modification(s) to a Related Party Transaction, which are intended to be placed before the shareholders for approval.</li> <li>• All other RPTs as referred by the Audit Committee from time to time.</li> </ul>

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			Information in such form and manner as prescribed in the Act, RPT Industry Standards, and/or SEBI Listing Regulations shall be provided to the Board.
3	Section 188(1) of the Act, and Regulation 23(4) of the SEBI Listing Regulations	<b>Shareholders</b> (No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not)	<p>All Material Related Party Transactions and any subsequent Material Modifications to Related Party Transactions, shall require prior approval of Shareholders.</p> <p>Transactions covered within the scope of Section 188 of the Act, which are not in the ordinary courses of business and also not on arm's length basis and exceeds the threshold under Section 188 of the Act shall require prior approval of the shareholders.</p> <p><b>Exemptions</b></p> <p>The approval of shareholders will not be required for transactions entered into between</p> <ul style="list-style-type: none"> <li>(a) the Company and its wholly owned Subsidiaries or</li> <li>(b) two or more wholly owned Subsidiaries of the Company</li> </ul> <p>whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p>

## Related Party Transactions not approved under this Policy and manner of Ratification

The members of the Audit Committee, who are independent directors, may ratify RPTs 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 RPT(s) to be ratified, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not a Material Transaction;

- (iii) rationale for inability to seek prior approval for the transaction is placed before the Audit Committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of RPTs in terms of clause Regulation 23(9) of the 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.

## **8. RPT Industry standards on Minimum Information to be provided to the Audit Committee and shareholders for approval of RPTs**

The Company shall follow RPT Industry Standards on Minimum Information to be provided to the Audit Committee and shareholders for approval of RPTs as applicable to the following RPTs:

- (a) All RPTs placed for review and approval by the Audit Committee, in terms of Regulation 23(2) and 23(3) of the SEBI Listing Regulations
- (b) Material RPT as defined under Regulation 23(1) & (1A) of the SEBI Listing Regulations, which are placed for approval of both the Audit Committee and the shareholders.

The RPT Industry Standards shall not be applicable to:

- (a) Transactions exempted under Regulation 23(5) of the SEBI Listing Regulations; and
- (b) Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the SEBI Listing Regulations; and
- (c) 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) do not exceed Rs. One Crore.

With effect from September 1, 2025, the minimum information to be provided in relation to RPTs for seeking approval of the Audit Committee and the shareholders shall be in the form and manner as provided in RPT Industry Standards, and as applicable from time to time.

## **9. Disclosure and Reporting**

Appropriate disclosures as required under the Act and the SEBI Listing Regulations shall be made by the Company to the relevant authorities from time to time in the prescribed returns/forms/formats.

The Policy shall be uploaded on the Company's website and a web link of the same shall be provided in the Annual Report of the Company.



## **10. Review and Amendment**

The Policy shall always be subject to and overridden by the Act the SEBI Listing Regulations, RPT Industry Standards or any statutory enactments.

The Policy shall be reviewed by the Board at least once every three years and/or as and when required and/or recommended by the Audit Committee and updated accordingly.

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