

WONDER ELECTRICALS LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”)

1. SCOPE AND PURPOSE OF THE POLICY

This policy on Related Party Transactions (hereinafter referred to as “**RPT Policy**” or “**Policy**”) of **Wonder Electricals Limited** (“**Wonder**” or “**the Company**”) is framed considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“**the Act**”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“**SEBI LODR**”). Wonder has formulated the RPT policy and guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the Company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

This Policy has been adopted by the Board of Directors of the Company based on recommendations of Audit Committee of the Company. Going forward, the Audit Committee will review and amend the RPT policy, as and when required, subject to the approval of the Board. In addition to the above, this Policy shall be reviewed by the Board of Directors at least once in three years.

2. OBJECTIVE OF THE POLICY

The Objective of the Policy is to set out (a) the materiality thresholds for RPTs and (b) the manner of dealing with the transactions between the Company and its related parties, based on the Act, SEBI LODR and any other statute as may be applicable to the Company.

3. DEFINITIONS

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

“**Audit Committee**” shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations

“**Applicable Law**” includes (a) the Act and the Rules prescribed thereunder, (b) SEBI (LODR) 2015 and any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.

“**Arm’s 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;

“**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.

“Material Modification(s)” means and include any modification to an existing RPT, in aggregate with a related party, having variance of 25% in value of the transaction/ Extension of agreement tenure for more than one year, already approved by the Audit Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee/Board.

“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 its Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines;

“Company” means Wonder Electricals Limited;

“Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder;

“Related party” have the meaning as defined in Section 2(76) of the Act or under the applicable accounting standards and Regulation 2(1)(zb) of the SEBI Regulations;

“Related party Transactions” shall be as per Regulation 2(1)(zc) of SEBI (LODR) Regulations, 2015. Accordingly, a related party transaction is a transaction involving transfer of resources, services, or obligations between

- 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;
- 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 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, including but not limited to the following –

- 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. appointment to any office or place of profit in the company
- g. underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

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 Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - payment of dividend by the Company;
 - subdivision or consolidation of securities by the Company;

- issuance of securities by way of a rights issue or a bonus issue and
- buy-back of securities.

3. Such other RPTs as may be specified by Applicable Laws to be exempt

Further, remuneration and sitting fees paid by Company or its subsidiaries to its directors, 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 of the Listing Regulations.

“Material Related Party Transactions” means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company

“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 Transaction (RPT)” as notified by SEBI vide its circular dated February 14, 2025.

“SEBI LODR” means Securities and Exchange Board of India (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 Act, the SEBI Listing Regulations or any other applicable law or regulation, each as amended.

4. **MATERIALITY THRESHOLDS**

As per **Regulation 23 of the SEBI Listing Regulations**, every company is required to define materiality thresholds for transactions involving related parties. If a **Related Party Transaction (RPT)** exceeds the set materiality threshold, it must receive prior approval from the **shareholders** through an **ordinary resolution**. Any **subsequent material modifications** to an already approved RPT also require prior shareholder approval.

Voting Restrictions

- **Related parties (RPs)** of the company cannot vote to approve such resolutions, regardless of whether they are directly involved in the specific transaction. However, RPs are permitted to cast a negative vote to reject the resolution seeking approval of material RPTs.

Materiality Thresholds for Wonder Electricals Limited

The company has established the following materiality thresholds in compliance with Regulation 23 of the SEBI Listing Regulations:

✔ Payments to a Related Party for Brand Usage or Royalty

- 5% of the company’s annual consolidated turnover as per the latest audited financial statements.

✔ Other Transactions with a Related Party

- The lower of ₹1,000 crore or 10% of the company's annual consolidated turnover as per the latest audited consolidated financial statements.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

Identification of Related Parties

The Company shall identify and update 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 both from the declaration of Directors/ KMPs and from the list of Companies/ body corporates which shall be otherwise treated as related under the Act and Indian Accounting Standards.

Identification of Related Party transactions

The Company shall identify related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI LODR. The Company shall also determine whether the transaction is in the ordinary course of business and at arm's length basis, as per applicable rules & regulation and for this purpose, the Company will seek external expert opinion, if and wherever necessary.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a. Material Related Party Transactions
- b. Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest.
- c. Residual Related Party Transactions.

6. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

➤ Prior Approval of the Audit Committee

A. Prior approval of the Audit Committee shall be required for:

1. Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.;
2. RPTs where subsidiary is a party but the Company is not a party and the transaction amount exceeds the threshold limits as mentioned in Regulation 23(2) of SEBI (LODR) Regulations, 2015.

Further, the Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Prior approval of the Audit Committee shall not be required for:

- i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
- iii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

- iv. transactions entered into between 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.
- v. Remuneration and sitting fees paid by Wonder or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavorable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards.

However, the Company may obtain omnibus approval from the Audit Committee for all Related Party Transactions subject to compliances with the conditions prescribed in paras 1 to 9 below.

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
 - (a) maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - (b) the maximum value per transaction which can be allowed;
 - (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - (d) review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
 - (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - i. repetitiveness of the transactions (in past or in future);
 - ii. justification for the need of omnibus approval.
3. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
4. The omnibus approval shall provide details of (i) the name/s of the related party and its relationship with the Company or its subsidiary, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into during the year; (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any, (iii) minimum information about the RPTs as per the provisions of the Industry Standards and (iv) such other conditions as the Audit Committee may deem fit.

Provided that 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 Rs. 1 crore per transaction.

5. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company pursuant to the omnibus approval given;
 6. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.
 7. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
 8. Omnibus approval can be granted by the audit committee for related party transactions of the Company as well as of its subsidiaries.
 9. Any other conditions as the Audit Committee may deem fit.
- B. Pursuant to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:
- a) The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be 50% of the annual consolidated turnover of the Company as per its last audited financial statements, subject to the transaction(s) exceeding the materiality threshold which require shareholder approval will not be considered for this limit.
 - b) The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in the Policy. Should the value per transaction, through omnibus route, exceed the materiality threshold as defined in the Policy, the same shall be subject to approval of shareholders of the Company.
 - c) While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amounts of transactions that shall be entered into;
 - ii. the indicative base price / current contracted price and the formula for variation in the price, if any;
 - iii. Minimum Information to be placed before the Audit Committee as required under the Industry Standards
 - iv. such other information/documents/confirmations as the Audit Committee may deem fit from time to time.
 - d) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each omnibus approval given.
 - e) Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
 - i. Transactions which are not at arm's length or not in the ordinary course of business;
 - ii. Transactions which are not repetitive in nature;
 - iii. Transactions exceeding materiality thresholds as laid down in the Policy
 - iv. Transactions in respect of selling or disposing of the undertaking of the company
 - v. Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
 - vi. Any other transaction as the Audit Committee may deem not fit for omnibus approval

C. Audit Committee has defined “material modifications” as following:

Material Modifications of Related Party Transaction” in relation to the Company means and includes any modification to an existing related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

➤ **APPROVAL OF BOARD OF DIRECTORS OF THE COMPANY**

As per the provision of Section 188 of the Act, all kinds of transactions specified under the said section and which are not in the ordinary course of business and at arm’s length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether an RPT is in the ordinary course of business and/ or at arms’ length.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval.

- Transactions which may be in the ordinary course of business and at arm’s length basis, but which are as per the policy determined by the Board from time to time (i.e., value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm’s length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm’s length basis, but which in Audit Committee’s view requires Board approval;
- Material RPTs and subsequent material modifications to such transactions, which are intended to be placed before the shareholders for approval.

Where any director is interested in any contract or arrangement with a related party, such director shall not participate during discussions and vote on the subject matter of the resolution related to such contract or arrangement.

➤ **APPROVAL OF THE SHAREHOLDERS OF THE COMPANY**

All the Material RPTs, any modification to the transaction with Related Parties as per the provisions of the Act, and subsequent material modifications to the transaction with Related Parties as per the provisions of the SEBI LODR, shall be placed before the shareholders for approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or are not at arm’s length basis; and (b) exceed the thresholds laid down in Rule 15(3) of the Companies (Meeting of Board and its Power) Rules, 2014, as amended from time to time, shall be placed before the shareholders for approval.

The requirement for seeking Shareholders' approval shall not be applicable to transactions between the Company and its wholly-owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Further, the requirement for seeking shareholders' approval shall not be applicable for RPTs between the 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.

No related party shall vote to approve such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

The following information shall be provided to the shareholders while seeking their approval for RPTs:

- i. A summary of the information provided by the management of the Company to the audit committee
- ii. Reasons/justification for why the proposed transaction is in the interest of the Company;
- iii. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under:
 - a) details of the source of funds in connection with the proposed transaction;
 - b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - i. nature of indebtedness;
 - ii. cost of funds; and
 - iii. tenure;
 - c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - d) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- iv. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- v. Any other relevant information or such information as may be prescribed under SEBI LODR.

7. DISCLOSURES AND REPORTING

Details of the RPTs during the quarter shall be disclosed in the Audit Committee and Board meeting.

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in the ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

In addition to the above, the Company shall also provide details of all Material Related Party Transactions on a to the stock exchanges as per the applicable law.

The Company shall also on half yearly basis submit disclosures of RPTs, in the format specified by SEBI from time to time, to the stock exchanges and publish the same on its website in accordance with SEBI LODR.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the RPTs, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPTs to the Audit Committee under this policy and the failure of internal control systems, and shall take any such action it deems appropriate.

A related party transaction entered into without approval under this Policy shall not be deemed to violate this policy, or to be invalid or unenforceable, so long as the transaction is approved or ratified as soon as reasonably practical after any Officer/Director of the Company becomes aware of such transaction.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

9. REVIEW AND AMENDMENTS

The Audit Committee and the Board of Directors shall review the Related Party Transaction (RPT) policy on materiality and its threshold limits every three years and make necessary updates as required.

In the event of any conflict between the provisions of this RPT Policy and applicable laws, the provisions of such applicable laws shall prevail over this Policy.

*Adopted on February 11, 2022 and effective from April 01,2022
Amended on 22nd March 2025 and effective from 01st April,2025.*
