

SUPERTEX INDUSTRIES LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

The Board of Directors (the “Board”) of Supertex Industries Limited (the “Company”), adopts the following policy and procedures with regard to Related Party Transactions (RPT) as defined below, in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made thereunder and any subsequent amendments thereto (the “Act”) and Listing Agreement with the Stock Exchanges, in order to ensure the transparency and procedural fairness of such transactions.

2. OBJECTIVE

The objective of this policy is to regulate transactions between the Company and its Related Parties based on the Companies Act 2013, Listing Agreement and other laws and regulations applicable to the Company. This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders.

3. DEFINITIONS

“**Act**” means the Companies Act, 2013.

“**Clause 49**” means the Clause no. 49 of the Listing Agreement entered into by the Company with the stock exchanges.

“**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.

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

“Relative” means a relative as defined under the Companies Act, 2013.

“Related Party” means an individual entity, firm, body corporate or person as defined in Section 2(76) of the Act and Clause 49(VII) (B) of the Listing Agreement.

“Related party transaction” is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, 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

A transaction shall be construed to include a single transaction or a group of transactions in a contract.

“Material Related Party Transactions” shall mean a transaction as defined in Clause 49(VII)(C) of the Listing Agreement i.e. transaction/transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover of the Company, as per the last audited financial statements of the company.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable regulation.

4. APPROVAL PROCESS

All related party transactions shall be entered into after prior approval of the Audit Committee. Based on the terms and conditions of a transaction, and applicable regulatory requirements, the Audit Committee will have the discretion to recommend / refer it for the approval of Board of Directors or Shareholders. In the event such transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions will be placed for approval of the shareholders of the Company through special resolution and all entities under the definition of related parties shall abstain from voting on such resolutions. The Audit Committee will have the discretion to seek opinion / report of an independent expert in case of material transactions.

APPROVAL PROCESS - OMNIBUS

The Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

- a. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- b. 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;
- c. 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. 2 crore per transaction.

- d. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

5. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

6. DISCLOSURE

Details of any Material Related Party Transactions shall be disclosed to the stock exchange quarterly along with the compliance report on corporate governance.

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.

7. AMENDMENT IN LAW

Any subsequent amendment/ modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.