

POLICY ON RELATED PARTY TRANSACTIONS

1. SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under, Evans Electric Limited (Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

- (a) The materiality thresholds for related party transactions and;
- (b) The manner of dealing with the transactions between the Company and its related parties based on the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

3.1 "Act" means the Companies Act, 2013

3.2 "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

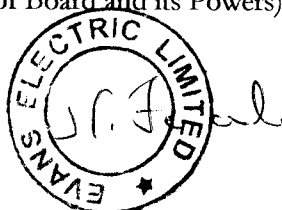
3.3 "Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

3.4 "Company" means Evans Electric Limited

3.5 "Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed there under

3.6 "Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013

3.7 "Material Related Party Transaction" 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 the amount as prescribed in Rule No. 15(3) of the Companies (Meetings of Board and its Powers) Rules 2014 (as amended)



EVANS ELECTRIC LIMITED

3.8 “Key Managerial Personnel” or “KMP” shall have the meaning as defined in the Companies Act 2013

4. MATERIALITY THRESHOLDS

All related party transaction in excess of the limit as prescribed Rule No. 15(3) of the Companies (Meetings of Board and its Powers) Rules 2014 (as amended) can be entered into only with the consent of shareholders by way of Ordinary Resolution.

Transaction not exceeding the amount as prescribed Rule No. 15(3) of the Companies (Meetings of Board and its Powers) Rules 2014 (as amended) may be entered on the recommendation of Audit Committee with the approval of the Board.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

5.1 Identification of Related Parties :

The Company shall identify and updating the list of related parties as prescribed under Section 2(76) of the Act

5.2 Identification of Related Party Transactions:

The Company shall identify the related party transactions in accordance with Section 188 of the Act

5.3 Approval of the Board of Directors of the Company:

As per the provisions of Section 188 of the Act, all kinds of transactions held with related party and are not in the ordinary course of business or not at arm's length basis, be placed before the Audit Committee and would be made with Board approval

6. DISCLOSURES

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 ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

7. REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

