

EVANS ELECTRIC LIMITED
RELATED PARTY TRANSACTIONS POLICY*

**(Amended Related Party Transaction Policy is recommended by the Audit Committee and approved by the Board in their Meeting held on August 26, 2025)*

RELATED PARTY TRANSACTIONS POLICY

1. INTRODUCTION:

The Companies Act, 2013 ("Companies Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules") introduced specific provisions relating to Related Party Transaction and defined the terms – Related Parties, Material Related Party Transactions, Relatives and Key Management Personnel. The Companies Act and the Rules have also laid down the financial limits and the approval process for such transactions.

In addition, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the objective to make the corporate governance framework more effective, necessitates all the listed companies to formulate a policy on materiality of Related Party Transaction and also a policy on dealing with Related Party Transactions including clear threshold limits duly approved by the Board of Directors.

Accordingly, the Board of Directors (the "Board") of Evans Electric Limited (the "Company" or "EEL"), have adopted a policy and standard operating procedures to regulate transactions between the Company and Related Party (ies).

2. APPLICABILITY:

This Policy applies to transaction(s) between the Company, its subsidiaries, if any and one or more of their Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

Transactions covered by this Policy include any contract or arrangement with a Related Party with respect to transactions defined hereunder as "Related Party Transaction".

3. SCOPE AND PURPOSE:

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.

Provisions of this Policy are designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct of Related Party Transaction, in terms of the applicable laws. Further, the Board may amend this Policy from time to time as may be required.

The Audit Committee, shall review, approve and ratify Related Party Transaction(s) based on this Policy in terms of the requirements under the above provisions.

4. DEFINITIONS:

“Arm’s Length Transaction” means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under the provisions of Companies Act and Listing Regulations.

“Board” means the Board of Directors of Evans Electric Limited, as constituted from time to time.

“Company” means Evans Electric Limited.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“Ordinary course of Business” means a transaction which is: -

- i. Carried out in the normal course of business envisaged in accordance with Memorandum of Association of the Company as amended from time to time;
- ii. Historical practice with a pattern of frequency; or
- iii. Common commercial practice; or
- iv. Meets any other parameters/criteria as may be decided by Board of Directors or the Audit Committee.

“Material Related Party Transaction” means a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees fifty crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

“Material Modification” shall mean an amendment to the terms of a transaction / agreement / commitment with / to a Related Party, the effect of which will be an increase over the approved limit for a transaction, by an amount more than Rs. 50 Lakhs (Rupees Fifty Lakhs) in a financial year or 20% (twenty per cent) of the approved limit, whichever is lower.

Provided that material modifications shall be deemed to include the following, without application of the above criteria:

- a. In case of a loan or deposit or any other means of funding, any deviation in the objects or purposes for which the loan or deposit was given or funding was made or received;
- b. In case of any other transaction or agreement, any amendment which will have an effect of:
 - i. deferring the consummation of such transaction or agreement by a period beyond one (1) year from the existing approved term / period; or

- ii. Renewing or extending the term of the transaction or agreement for a period exceeding one (1) year of its existing approved term / period.

Provided further that any modification to the following transactions / agreements entered shall be excluded from the applicability of above definition:

- a. for sale, purchase or supply of any goods or materials or availing or rendering of any services in the ordinary course of business and on arm's length basis;
- b. between the Company and its wholly owned subsidiary, if any;
- c. transactions entered into between two (2) wholly-owned subsidiaries of the Company, if any, whose accounts are consolidated with the Company and placed before the shareholders at the annual general meeting for approval,

“Policy” means this Related Party Transaction Policy.

“Related Party/Related Parties” with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 read with Regulation 2(1)(zb) of the Listing Regulations.

“Related Party Transaction” means

- For the purpose of the Companies Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 as amended from time to time;
- For the purpose of Listing Regulations, as defined under Regulation 2(1) (zc) of the Listing Regulation, as amended from time to time.

“Relative” means relative as defined under the Companies Act, as amended from time to time.

Terms not defined herein above shall have the meaning given to it under the Listing Regulations and if not defined in the Listing Regulations, they shall have the meaning given to them under the Companies Act.

5. POLICY:

5.1: Identification of Related Party:

- i. The Company shall identify related parties as per the Act and Listing Regulations;
- ii. The Company shall obtain list of related parties of its Subsidiary Company, if any as defined under the Act and Listing Regulations;
- iii. It is required to verify list of related parties periodically and review at regular intervals in accordance with the Act, 2013 and Listing Regulations.

5.2: Identification of Related Party Transactions:

The Company will identify the Related Party Transaction(s) in terms of the Act and Listing Regulations and take necessary approvals from the Audit Committee, Board of Directors and shareholders, wherever required under the Listing Regulations or the Companies Act, as the case may be.

All RPTs, whether material or not, and whether or not they are in the ordinary course of business and whether or not at an arm's length basis, will however require prior approval of the Audit Committee. However, if the RPTs are not in the ordinary course of business and not on arm's length basis, apart from the approval of the Audit Committee that is required to be obtained under the Listing Regulations and also in terms of Section 177 (4) (iv) of the Act, it will also be required to be approved by the Board of the Company in terms of Section 188 of the Act based on the recommendations of the Audit Committee. Further, it will also require the approval of shareholders, if the RPT exceeds the threshold limits as provided in the Act, with the concerned related/interested party abstaining from voting.

5.3: Review and approvals of Related Party Transactions:

I. Audit Committee:

a) Every Related Party Transaction and subsequent Material Modification shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act and the Rules made thereunder read with the mandatorily applicable Secretarial Standards.

Provided that the transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the Shareholders at the General Meeting for approval shall not require prior approval of the Audit Committee, if any.

The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the Company which are repetitive in nature subject to compliance of the conditions contained in the Listing Regulations and Companies Act and Rules made thereunder, as amended from time to time.

i. Criteria for Omnibus Approval:

- The transaction is / shall be frequent / regular / repetitive in nature.
- The transaction is / shall be in ordinary course of business and at arm's length.
- Such other criteria as may be laid down by the Audit Committee.
- Such approval shall remain valid for period not exceeding one (1) year, during which period the commercial terms of approved RPTs may change, provided that, arm's length criterion shall be ensured at the time of each such change.
- The Company shall provide all necessary information as may be provided in the Listing Regulations and/or Companies Act for review of the Audit Committee for approval of a proposed Related Party Transaction for Omnibus Approval.

ii. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transaction(s) entered into by the Company pursuant to the omnibus approvals given for such transactions.

iii. The Committee shall also satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.

iv. All other transactions would require approval.

v. If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction to the Audit Committee for its prior approval.

b) The Audit Committee shall also review the statement of significant Related Party Transaction(s) submitted by management as per its terms of reference.

c) Any member of the Committee who has a potential interest in any Related Party Transaction shall not participate at the meeting wherein such Related Party Transaction is considered. Further, only those Members of the Audit Committee who are Independent Directors shall approve Related Party Transaction(s).

d) Prior approval of Audit Committee shall be obtained for all transactions to which subsidiary of the Company is a party but the Company is not a party if the value of such transaction whether entered into individually or taken together with previous transactions exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

e) Remuneration and sitting fees paid by the entity 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 sub-regulation (1) of the Listing Regulations.

f) To review a Related Party Transaction, the Audit Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.

g) The Audit Committee shall recommend the Related Party Transaction(s) for approval of Board of Directors / Shareholders as per terms of this Policy.

h) The members of the Audit Committee, who are Independent Directors, may ratify related party transactions within three (3) 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 Rs. 1 crore (Rupees one crore);
- ii. the transaction is not material in terms of the provisions of sub- regulation (1) of the 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 provisions of sub-regulation (9) of the 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 authorized by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.”

II. Approval of the Board and the Shareholders:

The Board shall approve such Related Party Transaction(s) as are required to be approved under Companies Act and/or the Listing Regulations and/or transactions referred to it by the Audit Committee.

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

- a) 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;
- b) 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.
- c) Material Related Party Transactions and subsequent material modifications as well as Related Party Transactions requiring shareholder's approval under Section 188 of the Companies Act and the Rules made thereunder, which are intended to be placed before the Shareholders for approval.

Where any director is interested in any Related Party Transaction, such director shall not participate at the Meeting wherein Related Party Transaction is considered.

Further, all such Related Party Transaction(s) and subsequent Material Modifications exceeding the threshold limits prescribed in the Companies Act shall also require prior approval of Shareholders of the Company and Related Party/ies shall abstain from voting on such resolution.

2. In compliance with the Listing Regulations, Material Related Party Transactions and subsequent Material Modifications shall require approval of Shareholders and the Related Party/ies shall abstain from voting on such resolution.

Provided that the Material Related Transactions and subsequent Material Modifications entered into by the Company with its wholly owned Subsidiary(ies) whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval shall not require approval of the Shareholders.

In case the Shareholders decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescinding of the transaction, or suggest such modifications to the transaction with a view to place it again before the Shareholders for a fresh consideration.

5.4: Rules for transactions with Related Parties which are in Ordinary Course of Business/ on arm's length except Specific Transactions:

Transactions with Related Parties which are in Ordinary Course of Business of the Company and on arm's length shall be periodically disclosed to the Audit Committee/Board.

The Company shall ensure that details of such transactions are brought to the notice of Chairperson and /or any other person so authorized and discussed with the Board at the next following meeting, as may be required.

Transactions being entered into with the Related Parties even though being in the ordinary course of business of the Company shall satisfy the criteria of arm's length pricing. It shall be

the responsibility of the Company to ensure that requisite evidence and documentation are made available to the Auditors/Audit Committee/Board, as may be required by them, to demonstrate that the transactions are in sum and substance conducted on arm's length basis.

5.5: Related Party Transactions not previously approved:

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under 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 Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate.

Where any contract or arrangement is entered into by a Director or any other employee of the Company with a Related Party, without obtaining the consent of the Board or approval by a resolution in the general meeting, where required and if it is not ratified by the Board or, as the case may be, by the Shareholders at a meeting within three (3) months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any director, or is authorized by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the Related Party Transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any damages caused by any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

6. DISCLOSURES:

6.1: Registers:

The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this Policy applies, and such register is placed/taken note of before the Meeting of the Board.

Every Director or key managerial personnel shall, within a period of thirty (30) days of his/her appointment, relinquishment of his/her office in other companies or change in the disclosures already made as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the register maintained from the date on which such request is made upon the payment of such fee as

may be specified in the articles of the Company but not exceeding Rs. 10 (Rupees ten) per page.

The register to be kept under this section shall also be produced at the commencement of every annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

The register shall be preserved permanently and shall be kept in the custody of the Chairperson /Chief Financial Officer of the Company or any other person authorized by the Board for the purpose.

6.2: Disclosures:

1. The Company shall disclose the contract or arrangements entered into with the Related Party in the Board Report to the Shareholders along with the justification for entering into such contract or arrangement.
2. 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.
3. Disclosures with respect to Related Party Transactions shall be made as per applicable provisions of the Companies Act and/or Listing Regulations.
4. The Company shall provide any other disclosure as may be required from time to time.

7. POLICY REVIEW AND AMENDMENTS:

The Policy shall be reviewed once in every three (3) years as required under the Listing Regulations. The Board of Directors reserves the power to review and amend this policy from time to time based on need and emerging requirements for smooth conduct of business as also considering any recommendation on this matter from the Audit Committee. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act, including the Rules promulgated thereunder and the Listing Regulations and must be approved in the manner prescribed or as may be decided by the Board of Directors.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. A note in relation to such changes shall be placed in subsequent meeting of the Board and the Audit Committee
