



## RELATED PARTY TRANSACTIONS POLICY

### 1. Preamble

The Board of Directors (“Board”) of Eveready Industries India Limited (“Company”) has adopted a policy on Related Party Transactions (“Policy”) (“Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions”) and procedures with regard to Related Party Transactions (“RPT”) after considering the recommendation of the Audit Committee, in line with the requirements of Companies Act, 2013 (“the Act”) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as may be applicable to the Company.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company. This Policy specifically deals with the review and approval of Related Party Transactions and materiality thresholds for related party transactions.

### 2. Definitions

**“Related Party”** means a person or entity who is considered as a Related Party under Section 2(76) of the Act and Rules thereof and under Regulation 2 (1)(zb) of the SEBI Listing Regulations as amended from time to time.

**“Related Party Transaction”** (“RPT”) shall have the same meaning as specified under the Act and the Rules made thereunder and relevant Regulations of SEBI Listing Regulations, including any amendment(s) or modification(s) made thereof as may be applicable.

**“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.

**“Associate”** means any entity which is an associate under Section 2(6) of the Act.

**“Key Managerial Personnel (KMP)”** means a KMP as defined under Section 2(51) of the Act and in terms of Accounting Standard (Ind AS) 24.

**“Material Modifications”** in relation to a RPT approved by the Audit Committee or a Material RPT approved by the shareholders, as the case may be, means any modification to the existing Related Party Transaction which has the effect of increasing or decreasing the value of the original contract by 20% or more of the approved limit.

**“Material Related Party Transaction”** means a transaction with a related party if/where the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 Crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.



Provided that in case of any amendment to the Act or Listing Regulations, the definition of Material transactions will be deemed to be changed without any further approval of the Audit Committee or the Board.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“**Relative**” means a relative as defined under Section 2(77) of the Act or Rules made thereunder and the Listing Regulations, as amended from time to time.

All other words and expressions used but not defined in this Policy, but defined in the Act, Listing Regulations and/or the rules and regulations made thereunder including any statutory modification or re-enactment thereto shall have the same meanings respectively assigned to them in such Act, Listing Regulations, Rules made thereunder or any statutory modification or re-enactment thereto, as the case may be.

### **3. Policy**

All RPTs (inclusive of material modifications, if any) must be referred to the Audit Committee for prior approval by the Committee as well as the Board of Directors (Board) and the Shareholders of the Company, wherever necessary.

References to any statute, provision, clause or regulation include references to any subsequent changes to that statute, provision, clause or regulation or any re-enactments thereof.

### **4. Identification of Potential RPTs**

Every Director and KMP shall provide declaration with respect to his/her Related Party to the Company Secretary on an annual basis or whenever there is any change from his/her last submitted declaration in the prescribed format as provided in the Act and SEBI (LODR).

Every employee and director of the Company having knowledge of any proposed related party transaction of the Company shall promptly inform the Chief Financial Officer and the Company Secretary of the Company about any such transaction proposed to be entered into with a Related Party.

### **5. Approval of RPTs**

Audit Committee Approval

*Prior Approval*

- All RPTs and subsequent material modifications as defined by the Audit Committee and



disclosed as above, shall require prior approval of the Audit Committee, provided that only those members of the Audit Committee, who are Independent Directors, shall approve RPTs.

All RPTs of a subsidiary(ies), to which the Company is not a party and subsequent material modifications, shall require prior approval of Audit Committee, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary or any other limit as prescribed from time to time.

Remuneration and sitting fee paid by the Company or its subsidiary to its director, KMP 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 transaction as defined above.

#### *Omnibus Approval*

- The Company may obtain omnibus approval from the Audit Committee for RPTs entered into by the Company or its subsidiaries, subject to compliances with the following conditions:
  - The Audit Committee shall satisfy itself regarding the need for such omnibus approval and such approval shall be applicable in respect of RPTs which are repetitive in nature.
  - Criteria for granting omnibus approval:
    - The omnibus approval shall specify :
      - \* the name/s of the Related Party, nature of transaction, 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 (for example: +/- 5%);
      - \* the maximum value of transactions in aggregate which can be allowed under omnibus route in a year; and
      - \* such other conditions as the Audit Committee may deem fit from time to time.
    - The Audit Committee can grant an omnibus approval for RPTs proposed to be entered into by the Company (inclusive of RPTs that cannot be foreseen or for which details are not available not exceeding Rs. 1 Crore per transaction) if the Audit Committee is satisfied that same is/are considered necessary and in the interest of the Company and on such conditions as may be decided by the Committee and in keeping with any limits and specifications for such omnibus approvals as may be required by the relevant authorities.
    - The Audit Committee while granting omnibus approval shall consider the repetitiveness of the transactions (in past or in future) and justification for the need of such approval.
    - Omnibus approval shall be valid for a period not exceeding one financial year.



- Fresh omnibus approval shall be obtained from Audit Committee in accordance with applicable provisions of SEBI Listing Regulations and the Act.
- The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
- Any member of the Audit Committee who has a potential interest in any RPT will recuse himself or herself and abstain from discussion and voting on the approval of the RPT.

#### Board Approval

Board Approval is required for transactions enumerated in Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time. Provided that nothing in the said section shall apply to any RPTs, entered into by the Company in its ordinary course of business, other than transactions which are not on an arm's length basis.

All material RPT and subsequent material modifications as defined by the Audit Committee, would also require prior Board Approval.

Any member of the Board who has a potential interest in any such RPT will recuse himself or herself and abstain from discussion and voting on the approval of the RPT.

#### Shareholders' Approval

Prior Shareholders approval by way of resolution shall be required for transactions covered under Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

All material Related Party Transactions and subsequent material modifications as defined by the Audit Committee, under the Listing Regulations shall require prior approval of the Shareholders through resolution.

For RPTs of unlisted subsidiaries of a listed subsidiary of the Company, prior approval of the Shareholders of the listed subsidiary shall suffice.

All persons and entities falling under the definition of "Related Parties" shall not vote to approve the resolution, irrespective of whether the person and entity is a Related Party to the particular transaction or not.

Transactions between the Company and its wholly owned subsidiaries and the transactions 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, would not require any prior Audit Committee approval or any Shareholders approval.



## **6. Ratification of RPTs:**

The members of the audit committee, who are independent directors, may ratify related party transactions 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 conditions as prescribed from time to time.

## **7. Review and monitoring of RPTs:**

The Audit Committee may review and monitor RPT taking into account the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In connection with any review of RPT, the Committee has authority to modify or waive any procedural requirements of this Policy.

To review RPT, the Audit Committee shall be provided with all relevant material information of the RPT including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related party, and any other relevant information/material as prescribed from time to time.

In determining whether to approve a RPT, the Committee will consider the following factors, among others, to the extent relevant to the RPT:

- Name of the related party and the relationship
- Nature and duration of transaction and material terms including the value, if any
- The manner of determining the pricing and
- Whether the transaction qualifies to be a transaction in the ordinary course of business
- Whether the terms of the RPT are fair and on arms-length basis to the Company
- Business rational for such transactions

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

## **8. Transactions not to be considered as RPT**

Notwithstanding the foregoing, the following RPTs shall not require approval of Audit Committee/Board or Shareholders:

- i. Any transaction that involves the providing of compensation to a director or KMP in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- iii. Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013.



- iv. Any 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;
- v. Any corporate actions by the Company which are uniformly applicable/offered to all Shareholders in proportion to their shareholding, such as:
  - payment of dividend;
  - subdivision or consolidation of securities;
  - issuance of securities by way of a rights issue or a bonus issue; and
  - buy-back of securities.

#### **9. RPTs not approved under this Policy**

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

In any case, where the Committee determines not to ratify a RPT 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 transaction. The Committee has authority to modify or waive any procedural requirements of this Policy.

#### **10. Disclosures/Amendment**

Necessary disclosures of the RPTs and material RPTs as applicable, shall be made by the Company:

- in the Directors' Report with proper justification and the Corporate Governance Report
- to the stock exchanges in the format as specified from time to time and published on company's website.

This RPT Policy shall be disclosed on the website of the Company and a web-link thereto shall be provided in the Annual Report.

The right to interpret /amend/modify this Policy vests in the Board of Directors of the Company.

This Policy shall be reviewed by the Board once every 3 years.

*This policy was last amended on 5<sup>th</sup> February 2025.*

*Previous amendment: 31<sup>st</sup> March 2022*