EPACK Durable Limited

(Formerly EPACK Durable Private Limited)

EPACK's
RELATED PARTY TRANSACTION POLICY

[Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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VERSION CONTROL		
Version	**Description**	**Effective Date**
Version 1	Policy on materiality of related party transactions and on dealing with related party transactions	November 09, 2023
Version 2	Revised to incorporate amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and ensure compliance with updated requirements	July 19,2025

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1. **PREAMBLE**

Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR")** requires every listed entity to formulate a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, EPACK Durable Limited has established and implemented this policy to outline the principles, procedures, and internal controls ensuring that all Related Party Transactions are conducted at arm's length, in the ordinary course of business, and in the best interests of the company and its shareholders. The company remains dedicated to upholding the highest standards of corporate governance and transparency.

2. **PURPOSE**

The purpose of this Related Party Policy is to ensure compliances with the provisions of the Companies Act 2013 **("the Act")**, SEBI LODR, and other applicable laws for the time being in force and to ensure that all transactions with related parties are subject to proper scrutiny and approved in accordance with applicable laws.

3. **SCOPE**

This Policy applies to all transactions between EPACK Durable Limited, its subsidiaries and every Related Party of EPACK Durable Limited.

4. **INTERPRETATION &DEFINITIONS**

Words and expressions not defined in this policy shall have the same meaning as contained in the Companies Act, 2013, SEBI LODR, the rules and regulations made thereunder, and Indian Accounting Standards (Ind As-24).

If any provisions of this Related Party Transaction Policy are contrary to or inconsistent with the provisions under any other law for the time being in force, the provision of such law shall prevail.

a. **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.

b. **Board:** means the Board of Directors of the Company.

c. **Committee:** means the Audit Committee of the Company.

d. **Company/EPACK:** means EPACK Durable Limited.

e. ***Interest:*** *means if a Related Party in any way, whether directly or indirectly—*

   i. *where the person is a body corporate, holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate; or*
   ii. *where the person is a firm or other entity, the Related Party is a partner, owner or member, as the case may be.*

f. **Material Related Party Transactions:** shall mean the following:

   i. Transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 Crore (Rupees One Thousand Crore) or 10% (Ten Percent) of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

- **ii.** Transaction involving payments made to a Related Party with respect to brand usage or royalty to be entered individually or taken together with previous transactions during a financial year, exceeds 5% (Five Percent) of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company.

g. Material Modification: Any change to an approved Related Party Transaction that results in a variation by a 25% in the value, terms, or conditions such that the transaction ceases to be on an arm's length basis or within the ordinary course of business.

h. Ordinary Course of Business ("OCB"): Transactions that are customary, frequent, and incidental to the Company's normal business operations as set out in the Memorandum and Articles of Association and established business practices.

i. Related Party: *includes:*

- ***i.*** *a director or his relative;*
- ***ii.*** *a key managerial personnel or his relative;*
- ***iii.*** *a firm, in which a director, manager or his relative is a partner;*
- ***iv.*** *a private company in which a director or manager or his relative is a member or director;*
- ***v.*** *a public company in which a director or manager and holds is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;*
- ***vi.*** *any body-corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;*
- ***vii.*** *any person on whose advice, directions or instructions a director or manager is accustomed to act;*
- ***viii.*** *any company which is –*
  - *a holding, subsidiary or an associate company of EPACK; or*
  - *a subsidiary of a holding company to which it is also a subsidiary;*
  - *an investing company or the venturer of the company.*
- ***ix.*** *any person or entity forming a part of the Promoter or Promoter Group of EPACK; or*
- ***x.*** *any person or any entity, holding equity shares of 10% (Ten Per Cent) or more, in EPACK either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year.*

j. Related Party Transaction ("RPT")*: means a transaction involving a transfer of resources, services or obligations between:*

- ***i.*** *EPACK or any of its subsidiaries on one hand and a related party of EPACK or any of its subsidiaries on the other hand; or*
- ***ii.*** *EPACK 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 listed entity 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.

k. Relative: *with reference to any person, means anyone who is related to another, if –*

- ***i.*** *they are members of a HUF;*
- ***ii.*** *they are husband and wife;*
- ***iii.*** *a person shall be deemed to be relative of another, if he or she is related to another in the following manner, namely-*
  - *Father (including step-father);*

- *Mother (including step-mother);*
- *Son (including step-son);*
- *Son's wife;*
- *Daughter (including step-daughter);*
- *Daughter's husband;*
- *Brother (including step-brother);*
- *Sister (including step-sister)*

5. IDENTIFICATION AND DISCLOSURE OF RELATED PARTIES

a. **Annual Declarations:** All directors and Key Managerial Personnel (KMPs) shall submit, upon appointment and at the beginning of each financial year, a declaration of their relationships, including details of relatives and any interests in other companies or entities in Form MBP-1.

b. **Ongoing Updates:** Directors, KMPs, and relevant employees must immediately notify the Company Secretary of any changes in related party information.

c. **Register of Related Parties:** The Company shall maintain a register of all identified Related Parties. This list shall be periodically reviewed and made available to those involved in approving or executing transactions.

6. PROCEDURES FOR RELATED PARTY TRANSACTIONS

a. Identification of RPTs

i. **Pre-Transaction Assessment:** Before entering into any transaction, the initiating department must verify whether the counterparty is a Related Party.

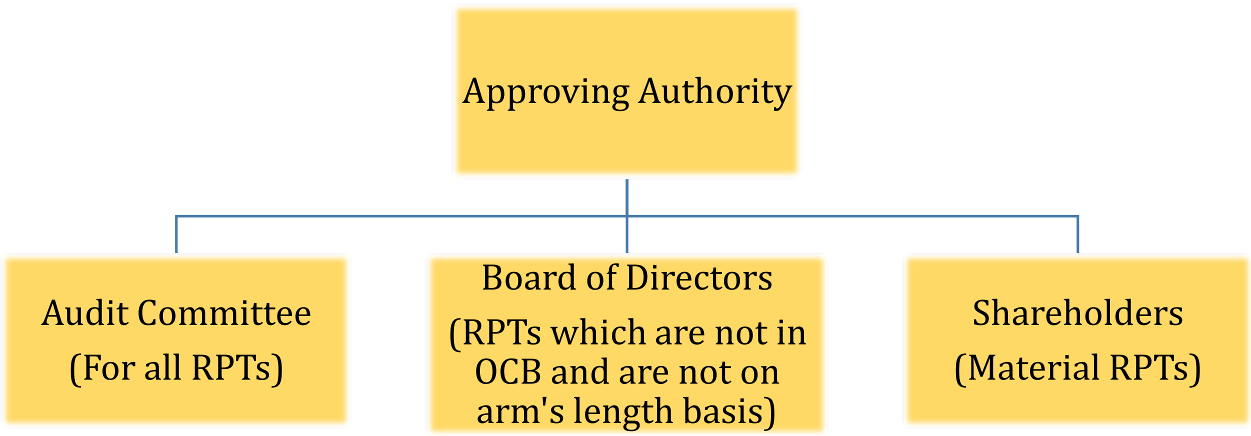
ii. **Notification:** Any potential RPT must be notified in advance to the Company Secretary and Compliance Officer, along with details of the transaction.

b. Determination of Arm's Length Pricing

The pricing for RPTs must be determined using one or more accepted methods as may be determined by the Audit Committee, to ensure the terms are consistent with those offered to unrelated parties.

c. Approval Process

Approval of RPTs shall be based on the nature, value, and materiality of the transaction:



i. **Audit Committee's Approval:**

- Regulation 23(2) of SEBI LODR provides that all RPTs (including any modifications) shall require prior approval of the Audit Committee.
- Proviso (b) and (c) to Regulation 23(2) of SEBI LORD further provides that, in relation to a Subsidiary, prior approval would be required for:

    - a RPT to which the subsidiary of EPACK is a party but EPACK is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (Ten Percent) of the annual consolidated turnover, as per the last audited financial statements of EPACK; or
    - a RPT to which the subsidiary of EPACK is a party but EPACK is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (Ten Percent) of the annual consolidated turnover, as per the last audited financial statements of the subsidiary.

    Prior approval would not be required if such subsidiary is listed on a Stock Exchange.

- Only those members of the audit committee, who are independent directors, shall approve related party transactions.

- ***Ratification:*** *In accordance with Section 177 of the Act and Proviso (f) to Regulation 23 of SEBI LODR provides that the members of the audit committee, who are independent directors, may ratify RPTs within 3 (Three) 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:*

    - *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 ₹1 Crore (Rupees One Crore);*
    - *the RPT is not material as defined in sub-clause f of clause 4 of this policy;*
    - *rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification*
    - *any other condition as specified by the audit committee.*

    Provided that failure to seek ratification of the audit committee shall render the RPT voidable at the option of the audit committee and if the RPT is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify EPACK against any loss incurred by it.

- **Omnibus Approval: As provided under Section 117 of the Act and Regulation 23(3) of SEBI LODR, f**or repetitive or routine RPTs, the Audit Committee may grant an omnibus approval for a period not exceeding 1 (One) financial year subject to predefined limits.

    Criteria for Granting Omnibus approval: Rule6A of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(3) provides that, the Audit Committee shall specify the criteria in line with this Policy, for making the omnibus approval which shall include the following, namely:-

    - maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
    - the maximum value per transaction which can be allowed;
    - extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

- review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- transactions which cannot be subject to the omnibus approval by the Audit Committee.

Audit committee may grant omnibus approval for RPTs proposed to be entered into by EPACK or its subsidiary subject to the following conditions:

- the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of EPACK

- the omnibus approval shall specify:
    - the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
    - the indicative base price/current contracted price and the formula for variation in the price if any; and
    - such other conditions as the audit committee may deem fit.

- 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 ₹1 (Rupees One Crore) per transaction.

- The audit committee shall review, at least on a quarterly basis, the details of RPT entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals given.

- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

ii. Board of Director's Approval:

- As per Section 188(1) of the Act, below transactions with a related party which are not in the ordinary course of business or not at arm's length must be reviewed and approved by the Board:

    - sale, purchase or supply of any goods or materials;
    - selling or otherwise disposing of, or buying, property of any kind;
    - leasing of property of any kind;
    - availing or rendering of any services;
    - appointment of any agent for purchase or sale of goods, materials, services or property;
    - such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
    - underwriting the subscription of any securities or derivatives thereof, of the company.

- Directors with an interest in the transaction must abstain from discussions and voting.

- ***Ratification:*** *Section 188(3) of the Act provides that where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board within three 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 authorised by any other* *director, the Directors concerned shall indemnify the company against any loss incurred by it.*

iii. Shareholder Approval:

- Regulation 23(4) of the SEBI LODR provides that, material RPTs and any material modifications thereto must be approved by shareholders via a resolution.

- Proviso to Regulation 23(4) of SEBI LODR provides that no related party shall vote to approve such Material RPT and any material modification thereto, whether the entity is a related party to the particular transaction or not.

- Section 188(1) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires that the below mentioned transactions with a related party which are not in the ordinary course of business or not at arm's length must be approved by the Shareholders by a resolution, and Related Parties are not permitted to vote on such resolutions:

  - sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to 10% (Ten Percent) or more of the turnover of EPACK;
  - selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% (Ten Percent) or more of net worth of EPACK;
  - leasing of property any kind amounting to 10% (Ten Percent) or more of the turnover of EPACK;
  - availing or rendering of any services, directly or through appointment of agent, amounting to 10% (Ten Percent) or more of the turnover of the EPACK;

    Explanation - It is hereby clarified that the limits specified above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
  - for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding ₹2,50,00 (Rupees Two Lakh and Fifty Thousand);
  - for remuneration for underwriting the subscription of any securities or derivatives thereof, of EPACK exceeding 1% (One Percent) of the net worth.

- ***Ratification:*** *Section 188(3) of the Act provides that where any contract or arrangement is entered into by a director or any other employee, without obtaining the approval by a resolution in the general meeting and if it is not ratified by the shareholders at a meeting within three 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 shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the Directors concerned shall indemnify the company against any loss incurred by it.*

iv. Transactions not requiring approval:

The below related party transactions do not require prior approval:

- *as per proviso (e) to Regulation 23(2) of SEBI LODR, remuneration and sitting fees paid by EPACK or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material;*

- as per Regulation 23(5)(b) of SEBI LODR, transactions entered into between EPACK and its wholly owned subsidiary whose accounts are consolidated and placed before the shareholders at the general meeting for approval;
- as per Regulation 23(5)(c) of SEBI LODR transactions entered into between two wholly-owned subsidiaries of EPACK, whose accounts are consolidated with EPACK and placed before the shareholders at the general meeting for approval;
- *as per proviso (a) to Regulation 2(zc) of SEBI LODR, the issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;*
- *as per proviso (b) of Regulation 2(zc) of SEBI LODR, the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:*
    - *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;*
- *as per proviso (e) of Regulation 2(zc) of SEBI LODR, retail purchases from EPACK or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.*

7. REVIEW AND AMENDMENT

Periodic Review: This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

In case of any amendments, clarifications, circulars etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendments, clarifications, circulars, etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.