

ZUARI INDUSTRIES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

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ZUARI INDUSTRIES LIMITED

Policy on Related Party Transactions

1. Preamble

The Board of Directors (the “**Board**”) of ZUARI INDUSTRIES LIMITED (the “**Company**”), on recommendation of the Audit Committee has adopted this Policy on Related Party Transactions (the “**Policy**”) in pursuance of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) as amended from time to time.

The Policy shall be reviewed by the Board, basis the recommendation of Audit Committee at least once every three years and updated accordingly.

Purpose

The Companies Act, 2013 (the “**Act**”) together with the rules notified thereunder, SEBI Listing Regulations, applicable accounting standards, Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” (“**RPT Industry Standards**”) (including any modifications/re-enactments thereof) and related circulars, clarifications, guidelines and notifications issued thereunder (together referred to as the “**applicable laws**”), provides a framework for regulating transactions with Related Parties.

The Policy has been adopted to ensure due and proper compliance with the applicable laws.

The objective of this policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company from time to time. The policy lays down the framework for appropriate approval and reporting of related party transactions in line with the best corporate governance practices. The transactions with related parties shall be entered into only if they are in the best interest of the Company.

This amended Policy will be applicable to the Company effective from 13 February 2026.

2. Definitions

- 2.1 “**Act**” means the Companies Act, 2013 read with the rules notified thereunder, as amended from time to time.
- 2.2 “**Arm’s length terms**” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- 2.3 “**Applicable Law**” means the Act together with the rules notified thereunder, SEBI Listing Regulations, applicable accounting standards, RPT Industry Standards (including any modifications/re-enactments thereof) and related circulars, clarifications, guidelines and notifications issued thereunder.
- 2.4 “**Associate Company**” shall mean any entity which is an associate under Section 2(6) of the Act or under the applicable accounting standards.
- 2.5 “**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of SEBI Listing Regulations & the Act.
- 2.6 “**Board**” means Board of Directors of the Company.
- 2.7 “**Company**” means ZUARI INDUSTRIES LIMITED.
- 2.8 “**Key Managerial Personnel**” (**KMP**) means
 - (i) the Chief Executive Officer or the Managing Director or the Manager.
 - (ii) the Company Secretary.
 - (iii) the Whole-Time Director.
 - (iv) the Chief Financial Officer.
 - (v) such other officer, not more than one level below the directors who is in whole-time employment,

designated as key managerial personnel by the Board and
(vi) such other officer as may be prescribed under the Act from time to time.

- 2.9 **“Material Modification”** means and include any modification to an existing related party transaction having variance of 20% or more of the existing limit (*whether individually or in aggregate*) as approved by the Audit Committee / Board / Shareholders, as the case may be. The said variation may be in terms of value, quantity and / or such other factors as may be decided by the Audit Committee.
- 2.10 **“Material Related Party Transaction”** means a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the following:

Consolidated Turnover of the Company Threshold	Threshold
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
(III) More than Rs. 40,000 Crore	- Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or - Rs. 5000 Crores, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover shall be determined based on the last audited financial statements of the Company.

Provided a transaction involving payments made to related party with respect to brand usage or royalty shall be considered material, if transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- 2.11 **“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.
- 2.12 **“Policy”** means this Policy on Related Party Transaction, as amended from time to time.
- 2.13 **“Related Party”** means a related party as defined under section 2(76) of the Act or under the applicable accounting standards:

Provided that:

- (i) any person or entity forming a part of the promoter or promoter group of the Company; or
(ii) any person or any entity, holding equity shares of 10% or more in the Company, either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year;

shall be deemed to be a related party:

- 2.14 **“Relative”** means relative as defined under section 2(77) of the Act and with reference to any person, means anyone who is related to another, if –
- (i) They are members of a Hindu Undivided Family;
(ii) They are husband and wife; or

- (iii) Father (including step-father)
- (iv) Mother (including step-mother)
- (v) Son (including step-son)
- (vi) Son's wife
- (vii) Daughter
- (viii) Daughter's husband
- (ix) Brother (including step-brother)
- (x) Sister (including step-sister)

2.15 **“Related Party Transaction” (RPT)** means

- (i) transaction involving a transfer of resources, services or obligations between:
 - i. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
 - ii. the Company 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 Company 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.

- (ii) Transaction(s) covered under Section 188 of the Act and Rules framed thereunder.

In terms of the applicable provisions of SEBI Listing Regulations, the following shall not be considered as Related Party Transaction:

- (i) the 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;
- (ii) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend.
 - ii. subdivision or consolidation of securities.
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (iii) retail purchases from the Company or its subsidiary by the directors or key managerial personnel of the Company or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/ offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

2.16 **“RPT Industry Standards”** means Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” as notified by SEBI and amended from time to time.

2.17 **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Act.

2.18 **“SEBI Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Any term not defined in this policy shall have the same meaning as given in the Act and rules framed thereunder and /or SEBI Listing Regulations. Likewise, reference in this Policy to Indian Accounting Standards shall be deemed to refer to the contemporaneous Indian Accounting Standards as may be applicable to the Company.

3. Identification of Related Parties and Related Party Transactions (“RPTs”):

- 3.1 In terms of Section 184 of the Act, all the Directors shall provide written notice disclosing their concern or interest in other entities to the Company in the prescribed format: (i) at the time of appointment of such person to office; (ii) at the first meeting of the Board held in every financial year; and (iii) whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.
- 3.2 On the basis of criteria prescribed under the applicable laws and as per the declaration(s)/ disclosure(s)/ notice(s) received from the Directors and KMPs, the list of related parties of the Company and of its subsidiary companies are compiled and updated from time to time.
- 3.3 Every Director/ Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential RPT involving directly or indirectly him / her or his / her relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.
- 3.4 The Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this policy. The Company strongly prefers to receive such notice of any potential RPT well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

4. Information to be provided to the audit committee and shareholders for review and approval of Related Party Transactions:

The Company shall place all information, as prescribed under the Act, SEBI Listing Regulations, including the information pursuant to the RPT Industry Standards and circulars/ guidelines issued by SEBI from time to time, before the Audit Committee and Shareholders, as applicable, for their approval/ ratification.

5. Review and Approval of Related Party Transactions (RPTs):

5.1 Approval of Audit Committee:

5.1.1 Unless otherwise provided under applicable laws, prior approval of the Audit Committee would be required for the following transactions (irrespective of being in the ordinary course of business or at arm's length basis) in accordance with this Policy:

- a. All RPTs and subsequent material modifications thereof.
- b. RPTs above Rupees 1 Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction, exceeds lower of the following:
 - i. 10% of the annual standalone turnover of the subsidiary, as per the last audited financial statements of the subsidiary;
 - ii. the threshold for material related party transactions of the Company.
- c. RPTs above Rupees 1 Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, if the value of such transaction exceeds lower of the following:
 - i. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary;
 - ii. the threshold for material related party transactions of the Company.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than 3 months prior to the date of seeking approval of the audit committee.

(i)

5.1.2 Any member of the Committee who has a potential interest in any RPT will recuse him / herself and abstain from discussion and voting on the approval of the RPT. Only those members of the Audit Committee, who are Independent Directors, shall approve RPTs.

5.1.3 Omnibus Approval by Audit Committee

The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company or its subsidiaries subject to the following conditions:

- a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-
 - (i) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - (ii) the maximum value per transaction which can be allowed;
 - (iii) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - (iv) review, at such intervals* as the Audit Committee may deem fit, RPTs entered into by the company or its subsidiaries pursuant to each of the omnibus approval made;

*(In addition to the mandatory quarterly review.)
 - (v) transactions which cannot be subject to the omnibus approval by the Audit Committee.
- b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
 - (i) repetitiveness of the transactions (in past or in future);
 - (ii) justification for the need of omnibus approval.
- c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company or its subsidiaries.
- d. The 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;
 - (iii) Details if any, prescribed by RPT Industry Standards or SEBI circulars, as may be applicable; and
 - (iv) such other conditions as the Audit Committee may deem fit.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees 1 Crore per transaction.

- e. Audit Committee shall review, on a quarterly basis, the details of RPTs entered into by the Company or its subsidiaries pursuant to each of the omnibus approvals given.
- f. To review an RPT, the Committee will be provided with all relevant material information of the RPT, including the terms of the transaction, the business purpose of the transaction, the terms of the Contract, and any other relevant matters.
- g. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

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

However, prior approval / omnibus approval of the audit committee of the Company shall not be required for the following:

- (i) A RPT to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations (i.e. the prescribed Corporate Governance provisions) are applicable to such listed subsidiary. Furthermore, for RPTs of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the audit committee of the listed subsidiary shall suffice.
- (ii) Transactions, between listed holding company and its wholly owned subsidiary company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (iii) Transactions between two wholly-owned subsidiary of the Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (iv) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- (v) remuneration and sitting fees paid by the Company or its subsidiary to its directors, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI Listing Regulations.

5.2 Approval of Board of Directors:

5.2.1 All RPTs shall be placed before the Board for information.

5.2.2 The approval of the Board will be taken for all RPTs, wherever required, under the SEBI Listing Regulations and/or provisions of the Act and/or any other applicable laws as amended from time to time and/or in case of transactions referred to the Board by the Audit Committee.

5.2.3 Approval of Board of Directors shall not be required for following transactions:

- a. Transactions entered into between the holding Company and its wholly owned subsidiary company, whose accounts are consolidated with the holding Company and placed before the shareholders at the general meeting for approval.
- b. Transactions entered into between two wholly-owned subsidiaries of the holding Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- c. Transactions as per Section 188 of the Act, which are in ordinary course of business and on arm's length basis.
- d. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

5.2.4 Any member of the Board who has any potential interest in any RPTs will recuse him/herself and abstain from discussion and voting on the approval of such RPT.

5.2.5 The approval mechanism for RPTs shall be as stipulated in the SEBI Listing Regulations and/or the

Act, as amended from time to time.

5.3 **Approval of Shareholders:**

5.3.1 All material RPTs and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through ordinary resolution and no related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time.

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

Provided that prior approval of the shareholders of the Company shall not be required for following transactions:

- a. RPT to which the listed subsidiary is a party, but the Company is not a party if regulation 23 and regulation 15(2) of the SEBI Listing Regulations (i.e., the prescribed Corporate Governance provisions) are applicable to such listed subsidiary. Furthermore, for RPTs of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.
- b. Transactions entered into between the listed holding Company and its wholly owned subsidiary company, whose accounts are consolidated with the holding Company and placed before the shareholders at the general meeting for approval.
- c. Transactions entered into between two wholly-owned subsidiaries of the holding Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- d. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

5.3.2 All RPTs pursuant to Section 188(1) of the Act which are not in the ordinary course of business and/or not at arms' length terms and exceed the threshold specified in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or re-enactment thereof shall also require prior approval of shareholders of the Company through Ordinary resolution. No Related Party shall vote to approve such resolution.

5.3.3 The approval mechanism for RPTs shall be as stipulated in the SEBI Listing Regulations and/or the Act, as amended from time to time.

6. **Deemed Approval**

Transactions or arrangements which are specifically dealt in terms of specific provision(s) of the applicable laws and executed under separate procedures/ approvals mechanism shall not be required to be approved under this Policy, including but not limited to the following:

- (i) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (ii) Shares based incentive plans for the benefits of Directors or KMPs approved by the Shareholders including ESOPs.

- (iii) Corporate actions which are uniformly applicable to everyone including related parties.
- (iv) Any other transaction or arrangement for which approval of the Audit Committee or Board or Shareholders, is not required or exempted under the Act, SEBI Listing Regulations or any other applicable law.

7. Ratification of Transactions

- 7.1 The members of 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 following conditions:
- a. 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 Rupees 1 Crore;
 - b. the transaction is not material in terms of the provisions of Regulation 23 (1) of SEBI Listing Regulations;
 - c. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification.
 - d. the details of ratification shall be disclosed along with the disclosure of related party transactions in terms of the provisions of Regulation 23 (9) of SEBI Listing Regulations;
 - e. 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 the transaction is with a related party to any director, or is authorised by any other director, the director (s) concerned shall indemnify the Company against any loss incurred by it.

- 7.2 In the event any Director, KMP, any officer, or any other person becomes aware of any RPT with a Related Party that's in deviation of this Policy and/or has not been approved under this Policy prior to its consummation, such person shall promptly notify the matter to the Company Secretary of the Company who shall ensure that the same is placed before the Audit Committee at the earliest but not later than first meeting of the Audit Committee held after the date of such intimation.
- 7.3 The Audit Committee shall consider all of the relevant facts and circumstances regarding the said transaction, and shall evaluate all options available to the Company, including ratification, revision, termination etc., of the said 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.
- 7.4 In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a RPT, the Committee has authority to modify or waive any procedural requirements of this Policy.
- 7.5 In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained, subject to compliance of provisions mentioned under above clauses read with the Act and SEBI Listing Regulations.
- 7.6 This Policy will be communicated to all operational employees and other concerned persons of the Company.

8. Disclosure by the Company

- 8.1 Appropriate disclosures as specified under the Act and the SEBI Listing Regulations, shall be made by the Company in its Board Report, Annual Report, to the Stock Exchanges and on its website.
- 8.2 This Policy shall be hosted on the Company's website and web-link of the same shall be provided in the Annual Report.
- 8.3 A summarized statement of all transactions with Related Parties entered during the relevant quarter pursuant to the contracts or arrangements already approved by the Audit Committee/ Board of Directors/ Shareholders (as applicable), shall be placed before the Audit Committee and Board of Directors for their

information, review & noting, at each quarterly meeting.

- 8.4 The remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under Regulation 23(9), provided that the same is not material in terms of the provisions of Regulation 23(1).
- 8.5 The details of ratification shall be disclosed along with the disclosure of related party transactions in terms of the provisions of Regulation 23(9) of SEBI Listing Regulations.

9. Policy review:

The Audit committee will review the Policy from time to time based on the RPTs and recommend to the Board suitable modifications, as may be necessary.

10. Limitation and Amendment:

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

(The Policy has been reviewed and revised by the Board of Directors in its meeting held on 13 February 2026)