



NOCIL LIMITED

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Policy on Related Party Transaction

- (i) Approved by Board of Directors on 06. 11. 2014
- (ii) Amended by Board of Directors on 27. 01.2016
- (iii) Amended by Board of Directors on 19 .12. 2019
- (iv) Amended by the Board of Directors on 30.03.2022
- (v) Amended by the Board of Directors on 06.02.2025

FOR NOCIL LTD.

ANAND V. S.
Managing Director

Policy on Related Party Transactions

OBJECTIVE

This Policy is modified/revised as per the requirements of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) and pursuant to the applicable provisions of the Companies Act, 2013 (as amended from time to time) and the applicable Rules thereunder notified by the Ministry of Corporate Affairs, and all such other Rules & Regulations, as may be applicable in this regard .This Policy replaces the previous Policy and shall come into force w.e.f : 7th February 2025 . Based on the recommendations of the Audit Committee, the Board of Directors (the 'Board') of NOCIL has adopted the following modified Policy with regard to Related Party Transactions (RPTs) .

In the event of any amendments to the Listing Regulations or to any of the provisions of the Companies Act, 2013 (including Rules/Regulations made thereunder) or by issuance of any Circulars/Notifications by SEBI or other Statutory/Regulatory Body , which would impact the implementation of this Policy , the same shall be deemed to form a part and parcel of this Policy with immediate effect viz from the date of enforcement of such amendments etc. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the Clauses of this Policy then such amendment(s), clarification(s), circular(s) etc. shall prevail upon /have over riding effect over such Clauses of this Policy.

DEFINITIONS

- 'Related Party', under section 2(76) of the Companies Act, 2013 - (read with relevant rules made there under) with reference to a Company means;
- 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 is a member or Director
 - iv. a public Company in which a Director or Manager is a Director and holds along with his relatives, more than two per cent of its paid-up share capital.
 - v. 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.



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- vi. any person on whose advice, directions or instructions a Director or Manager is accustomed to act

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- viii. any Body corporate which is—
- a) holding, subsidiary or an associate company of such company; or
 - b) subsidiary of a holding company to which it is also a subsidiary
 - c) an investing company or venturer of the company*
- 'Related Party', as per the prevailing Accounting Standard issued by the Institute of Chartered Accountants of India (ICAI) from time to time
- i. Holding Companies, Subsidiaries and Fellow Subsidiaries;
 - ii. Associates and Joint Ventures;
 - iii. Individuals (including their relatives)—having voting power giving them control or significant influence
 - iv. Key management personnel including their relatives
- [* Pursuant to the Companies (Amendment) Act, 2017]]
- v. Enterprises where controlling individual or key managerial personnel has significant influence
- 'Relative'- means relative as defined under the Companies Act, 2013 and includes 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 (including step-daughter)
 - viii. Daughter's husband
 - ix. Brother (including step-brother)
 - x. Sister (including step-sister)
- 'Related Party', under the Listing Regulations - means a related party as defined under section 2(76) of the Companies Act, 2013 , or under the applicable Accounting Standards and includes any person or entity forming part of the promoter group of the listed entity or any person or any entity , holding equity shares :
- i. of 20% or more ; or
 - ii. of 10% or more, w.e.f 1st April 2023





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in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time during the immediately preceding financial year shall be deemed to be related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

- **Related Party Transaction**– Related party transaction” means a transaction involving a transfer of resources, services, or obligations between:
- i. a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
 - ii. a listed entity 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, with effect from April 1, 2023.

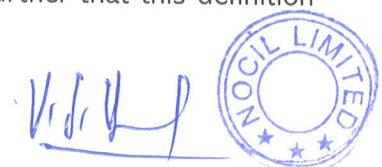
regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- a) 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;
- b) 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.
- c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board;
- d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- e) retail purchases from any listed entity 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:] Provided further that this definition





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shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

- **Materiality of Related Party Transactions** -Based on the recommendations of the Audit Committee the Board has approved a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits. The Board shall review this Policy of Materiality at least once every three years and update accordingly.

In terms of the said Policy on Materiality :

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statement, whichever is lower

Notwithstanding the above any transaction involving payments to a Related Party with respect to Brand usage, or royalty shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 5% of the annual consolidated turnover of the listed entity, as per the last audited financial statements of the Company or such other guidelines as may be issued by SEBI or other regulations whichever is lower.

- **Material Modifications of Related Party Transactions**- For the purpose of this Policy, the term "Material Modification" shall mean a modification to a Related Party Transaction, which individually or taken together with previous modifications pertaining to the same Related Party Transaction during a year, exceeds 10% of the approved amount for that transaction.

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 listed entity as per the last audited financial statements of the listed entity.

- **'Audit Committee or Committee'** means Committee of Board of Directors of NOCIL constituted under provisions of Listing Regulations and Companies Act, 2013.
- **'Board'** means Board of Directors of NOCIL.
- **'Key Managerial Personnel'** means key managerial personnel as defined under the Companies Act, 2013 and includes-





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- i. Managing Director or Chief Executive Officer or Manager
- ii. Whole-time Director
- iii. Chief Financial Officer
- iv. Company Secretary
- v. Such other senior functionary who may be identified as a KMP by the Board

➤ 'Policy' means the Related Party Transaction Policy.

➤ Related Parties for NOCIL –

- i. All Directors and KMPs and their relatives of NOCIL
- ii. Firms in which a Director of NOCIL or his/her relatives are partners or members
- iii. Private companies in which a Director of NOCIL is a Director or member
- iv. Public companies in which a Director of NOCIL is a Director and holds (along with his relatives) more than 2% of the voting capital
- v. All subsidiaries, associate companies and joint ventures of NOCIL

➤ Arms 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.

➤ Ordinary Course of Business - may include that transaction which is permitted by the Object Clause in the Memorandum of Association of the Company, or which is connected with the normal business of the Company or which is a historic/common commercial practice or the income earned of which is assessed a business income or expense incurred which is assessed as a business expense.

REVIEW AND PRIOR APPROVAL OF RELATED PARTY TRANSACTIONS BY THE AUDIT COMMITTEE -

All related party transactions and subsequent material modifications shall require prior approval of the audit committee .Only those members of the audit committee, who are independent directors, shall approve related party transactions ;

1. a related party transaction to which the subsidiary of NOCIL is a party, but NOCIL is not a party, shall require prior approval of the audit committee if the value of such transaction whether entered individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of NOCIL ;
2. With effect from April 1, 2023, a related party transaction to which the subsidiary of a NOCIL is a party, but NOCIL is not a party, shall require prior approval of the audit committee if the value of such transaction whether entered individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;





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Explanation: *For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.*

The Company shall duly comply with the Industry Standards (as directed by SEBI and/ or the Stock Exchanges from time to time and as may be applicable) with respect to the Minimum information to be provided for Review of the Audit Committee and the Shareholders while seeking for Approval of Related Party Transaction (RPT).

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 approval of the audit committee provided that the same is not material in terms of the provisions of this Policy

The Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions.

- i. The audit committee shall lay down the criteria for granting omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.
- ii. the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed or its subsidiary entity pursuant to each of the omnibus approvals given

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 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 rupees one crore.
- ii. The transaction is not material in terms of clause of this policy.
- 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 this regulation.
- 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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it."



OMNIBUS APPROVAL OF RELATED PARTY TRANSACTIONS BY THE AUDIT COMMITTEE -

1. Accordingly, in the month of March of every Financial Year*, the Management shall present to the Committee the following information with respect to all Related Party Transactions expected to be entered into during that financial year :
 - a) the name of the Related Party and the basis on which such person or entity is a Related Party.
 - b) the Related Party's interest in the transactions, including the Related Party's position or relationship with, or ownership of, any entity that has an interest in the transactions.
 - c) the approximate rupee value of the transactions and approximate rupee value of the Related Party's interest in the transactions.
 - d) a general description of the transactions, including material terms and conditions
 - e) in case of lease or other transaction providing for periodic payments or instalments, the aggregate amount of all periodic payments or instalments to be made
 - f) in case of loan, aggregate amount of loan and the rate of interest needs to be payable on such loan
 - g) in case of guarantees issued, aggregate amount of guarantees and commission to be payable on such guarantees
 - h) in assessment of whether the transactions are on terms that are comparable to the terms available to unrelated third parties or to employees generally
 - i) any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).
 - j) to obtain omnibus approval in the interest of the company in respect of transactions which are repetitive in nature and 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 and
 - (iii) 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 Rs.1 crore per transaction
 - (iv) Justification for the need of omnibus approval #.
 - k) Omnibus approval shall not be granted for transactions in respect of selling or disposing off the undertakings of the Company #.
 - l) To review at least on quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given .
 - m) Omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
 - n) Committee will have discretion to vary the above criteria from time to time and case to case basis subject to applicable provisions of the Listing Regulations

After reviewing such information, the Independent Directors on the Audit Committee shall approve or disapprove such transactions.

Approval of such transactions shall be provided only if it is determined by the Committee that such transactions are;

- a) in (or not inconsistent with) the best interests of the Company and its shareholders



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- b) to be entered into by the Company (or its subsidiary or associate entity) on terms that are comparable to those that would be obtained in arm's length transactions with unrelated third parties.
 - c) In the ordinary course of the business of the Company. (Ordinary course of business for this purpose will cover the businesses of NOCIL group and usual transactions, customs and practices of a business and would include activities to be carried out incidental to or to facilitate the business of NOCIL and is usual or customary to the Company and/or its line of business).
2. Only Independent Directors of the Audit Committee shall participate in the review, consideration or approval of any Related Party Transaction.
 3. If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions, management shall provide the Committee with updated information at a subsequent meeting and will get the changes approved afresh by the Committee.
 4. If any additional Related Party Transactions are proposed to be entered into subsequent to the Committee's meeting in the month of March of every Financial Year, management shall present such transactions to the Committee for approval before entering into such transaction (which can be taken by calling a meeting or by resolution passed through circulation).

The Company shall duly comply with the Industry Standards (as directed by SEBI and/ or the Stock Exchanges from time to time and as may be applicable) with respect to the Minimum information to be provided for Review of the Audit Committee and the Shareholders while seeking for Approval of Related Party Transaction (RPT)

5. All the Directors are required to declare and disclose his concerns or interests in any Company or Companies or bodies corporate at the first Board meeting in every financial year and subsequently, whenever there is any change in disclosures. In addition, the Directors have to give an undertaking that all business transactions entered into between NOCIL and themselves comply with the terms of this Policy.

APPROVAL OF THE BOARD AND THE SHAREHOLDERS-

The Audit Committee shall report all 'Material Related Party Transactions' to the Board of Directors. In case of transactions, which are not ordinary course of business or not at arm's length, prior approval from the Board will be required ;

All material related party transactions and subsequent material modifications as defined by the Audit Committee shall require PRIOR APPROVAL of the shareholders and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.





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Prior approval of the shareholders of NOCIL shall not be required for a related party transaction to which the listed subsidiary is a party, but NOCIL is not a party.

For related party transactions of unlisted subsidiaries of NOCIL, prior approval of the shareholders of the listed subsidiary will suffice.

NOCIL shall also seek Shareholders' approval for those 'Related Party Transactions' which exceed threshold limits specified under Section 188 of the Companies Act, 2013 in the subsequent Annual General Meeting of the year in which the Related Party Transaction is undertaken or by postal ballot process. The list of such transactions along with their respective limits is annexed to this Policy. The resolution will be an Ordinary resolution. No related parties shall vote to approve such resolutions.

The Company shall duly comply with the Industry Standards (as directed by SEBI and/ or the Stock Exchanges from time to time and as may be applicable) with respect to the Minimum information to be provided for Review of the Audit Committee and Shareholders while seeking for Approval of Related Party Transaction (RPT).

Under Listing Regulations, if the related party transactions (whether at arm's length or not) are material then the same needs to be approved through Ordinary resolution by the shareholders at General Meeting. **No related parties shall vote to approve such resolutions. ***

PRIOR APPROVAL OF THE AUDIT COMMITTEE, OMNIBUS APPROVAL OR SHAREHOLDERS IS NOT REQUIRED IN THE FOLLOWING CASES-

- i. transactions entered between a holding company and its owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;
- ii. transactions entered between two owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;
- iii. 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 approval of the audit committee provided that the same is not material in terms of the provisions of this Policy.
- iv. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on the one hand and the Central Government or any State Government or any combination thereof on the other hand ;

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- v. Transactions entered into between a public sector company on the one hand and the Central Government or any State Government or any combination thereof on the other hand ;
- vi. Remuneration and sitting fees paid by the listed 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 this regulation.

DISCLOSURES ,REPORTING AND REVIEW

NOCIL shall comply with all the applicable provisions and requirements of the Companies Act, 2013 (together with the Rules & Regulations thereunder) and the SEBI Listing Regulations and all other applicable Notifications , Circulars and Directions of SEBI regarding disclosures on the corporate website, in the Annual Report and Disclosures / Filings (in the prescribed format) within the prescribed time frame with the Stock Exchanges

Specific disclosures relating to Loans and advances in the Corporate Governance Report

NOCIL 's Corporate Governance Report (forming part of the Annual Report) shall disclose details relating to 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

The following corporate actions by NOCIL , which are uniformly applicable /offered to all shareholders in proportion to their shareholding shall not be treated as Related Party transactions :

- Payment of dividend
- Sub-division or consolidation of securities
- Issue of Bonus or Rights shares
- Buy back of shares

The Company would be required to review the Policy once in three years.

List of Transactions with Related Parties

Sr. No.	Particulars
1.	<p>Sale, purchase or supply of any goods or materials directly or through appointment of agents individually or taken together with previous transactions during a financial year amounting to or exceeds</p> <p>10% of the annual consolidated turnover of the Company as per the last audited financial statements of the company or as amended by SEBI from time to time.</p>

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2.	Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents amounting to or exceeds 10% of net worth
3.	Leasing of property of any kind amounting to or exceeds 10 % of the annual consolidated turnover of the Company as per the last audited financial statements of the company
4.	Availing or rendering of any services directly or through appointment of agents amounting to or exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the company.
5.	Appointment related party to any office or place of profit in the Company, its subsidiary Company or associate Company at a monthly remuneration exceeding Rs. 2,50,000/-
6.	Remuneration to related party for underwriting the subscription of any securities or derivatives thereof of the Company exceeding 1% of the net worth
7	A transaction involving payments to a Related Party with respect to Brand usage, or royalty shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 5% of the annual consolidated turnover of the listed entity, as per the last audited financial statements of the Company or lower limit as per SEBI Rules from time to time.

