



MOIL LIMITED

(A Government of India Enterprise)

RELATED PARTY TRANSACTION POLICY

(As approved by Board in 351st Meeting held on 26.05.2023)

1. Introduction

The Board of Directors (the “Board”) of MOIL Limited (the “Company”) has adopted this Related Party Transaction Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Objective

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. Definitions

- (i) “**Audit Committee or Committee**” means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (ii) “**Associate Company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a Subsidiary company of the Company having such influence and includes a joint venture company.

Explanation.—For the purpose of this clause,—

- (a) the expression "significant influence" means control of at least twenty percent. of total voting power, or control of or participation in business decisions under an agreement;
- (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

- (iii) **“Board”** means Board of Directors of the Company.
- (iv) **“Key Managerial Personnel”** means Key Managerial Personnel as defined under the Companies Act, 2013.
- (v) **“Material Related Party Transaction”** means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds rupees one thousand crore or ten percent (in case of brand usage or royalty five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI (LODR) Regulation 2015, whichever is stricter, from time to time.
- (vi) **“Policy”** means MOIL’s Related Party Transaction Policy.
- (vii) **“Related party”** 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 or his relative is a member or director;
 - (v) 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;
 - (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:

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) a holding, subsidiary or an associate company of such company; or
 - (b) a subsidiary of a holding company to which it is also a subsidiary;
 - (c) an investing company or the venturer of the company

Explanation.-For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate

- (ix) such other person as may be prescribed in the Act.;

and includes related parties under the applicable accounting Standards.

Provided that:

- (a) **any person or entity forming a part of the promoter or promoter group of the listed entity; or**
- (b) **any person or any entity, holding equity shares of ten per cent or more in the company 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;**

shall be deemed to be a related party.

(viii) “Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between 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 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

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 by the Company 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.

(ix) “Relative” means relative as defined under the Companies Act, 2013 and rules made there under.

4. Policy

4.1 Approval of Related Party Transaction by Audit Committee

- (i) 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.

Explanation: Material modifications in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10% or rupees fifty crore, whichever is higher.

- (ii) The Audit Committee may grant omnibus approval for certain Related Party Transactions proposed to be entered into by the company subject to the following conditions:
 - (a) such approval shall be applicable in respect of transactions which are repetitive in nature;
 - (b) the transactions are on arm’s length basis,
 - (c) it shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - (d) Such omnibus approval shall specify:
 - (i) the name/s of the related party, nature of the 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.

- (e) 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.
- (f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year,

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case choose to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Related Party transaction should be approved by the Board.

Approval of Related Party Transaction by Board of Directors

4.2 All cases where the Related Party Transactions are not in the ordinary course of business and/or are not on arm's length basis but within the prescribed limits as per the Companies (Meetings of Board & its Powers) Rules, 2014, shall be brought before the Board of Directors for approval through Audit Committee.

Such approval of Board may be obtained at a duly convened meeting.

Approval of Related Party Transaction by Shareholders

4.3 All (a) Related Party Transactions and subsequent material modifications as defined in clause 4.1 that are beyond the prescribed limits as per Companies (Meetings of Board & its Powers) Rules, 2014 (b) Material Related Party Transactions, shall require prior approval of MOIL's shareholders through resolution (after due approval by the Board). No related party shall vote to approve such resolution.

Provided that approval of the shareholders for the above transaction shall not be required if

- (i) transactions entered into between two government companies;
- (ii) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Explanation (i): For the purpose of this clause "Government company" shall have the same meaning as defined in Section 2(45) of the Companies Act, 2013."

Explanation (ii):For the purpose of this clause, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not."

5. Disclosures

All disclosures pertaining to Related Party Transactions required under the Companies Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 shall be made accordingly.

6. Limitation

In the event of any conflict between the provisions of this Policy and of the SEBI (LODR) Regulations, 2015 / Companies Act, 2013 or any other statutory enactments, rules, then, the provisions of the SEBI (LODR) Regulations, 2015/ Companies Act, 2013 or other statutory enactments, rules, as the case may be shall prevail over this Policy and shall be adhered to accordingly by all concerned.

7. Dissemination of Policy

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intranet and website of the Company and web link thereto shall be provided in the annual report of the Company.
