



## **MOIL LIMITED**

(A Government of India Enterprise)

### **RELATED PARTY TRANSACTION POLICY**

#### **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 Clause 49 of the Listing Agreement with the Stock Exchanges in India. 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**

“**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 Clause 49 of the Listing Agreement.

“**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 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 purposes of this clause, “Significant Influence” means Control of at least twenty percent of total share capital, or of business decisions under an agreement.

**“Board”** means Board of Directors of the Company

**“Key Managerial Personnel”** means Key Managerial Personnel as defined under the Companies Act, 2013.

**“Material Related Party Transaction”** means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten 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 Listing Agreement, whichever is stricter, from time to time.

**“Policy”** means MOIL’s Related Party Transaction Policy.

**“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 is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) anybody 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 company 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;
- (ix) such other person as may be prescribed;

and includes related parties under the applicable accounting Standards.

**“Related Party Transaction”** means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes-

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company;

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

#### **4. Policy**

##### **Approval of Related Party Transaction by Audit Committee**

4.1 All Related Party Transactions shall require prior approval of the Audit Committee. 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 that are beyond the prescribed limits as per Companies (Meetings of Board & its Powers) Rules, 2014 and being not in the ordinary course of business of the company and/ or not on an arm's length basis, (b) Material Related Party Transactions, shall require approval of MOIL's shareholders through special resolution (after due approval by the Board).

Provided that approval of the shareholders for Material Related Party 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 Listing Agreement shall be made accordingly.

## **6. Limitation**

In the event of any conflict between the provisions of this Policy and of the Listing Agreement/ Companies Act, 2013 or any other statutory enactments, rules, then, the provisions of the Listing Agreement / 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 intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

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