

Policy on Related Party Transactions

Clause 49 (vii) of the Listing Agreement as amended by CIR/CFD/POLICY CELL/7/2014 dt. September 15, 2014 with Stock Exchanges requires every listed company to formulate a policy on **materiality of Related Party Transactions and on dealing with Related Party Transactions**. Accordingly Jocil Limited establishes a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

The requirements of Related Party Transactions under Companies Act 2013 and Accounting Standard-18 are not in the scope of this policy and those requirements will be complied with independent of this policy.

1. DEFINITIONS :

- a) Related Party Transaction : A Related Party Transaction (RPT) is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged or not.

Explanation : A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

- b) Related Party : An entity shall be considered as related to the company if -- (a) such entity is a related party under Section 2 (76) of the Companies Act 2013 or (b) such entity is a related party under the applicable Accounting Standards.
- c) Material Related Party Transaction : A transaction with a related party shall be considered as Material Related Party Transaction if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.

2. APPROVAL OF AUDIT COMMITTEE :

All Related Party Transactions require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions : -

- a) The transactions are repetitive in nature
- b) Name of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into are specified

- c) Indicative base price / current contracted price and the formula for variation in the price if any is specified 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. One crore per transaction.
- d) Audit Committee shall review at least on a quarterly basis the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.
- e) Omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

3. APPROVAL OF THE SHAREHOLDERS :

All Material Related Party Transactions require approval of the shareholders through a Special Resolution and all the related parties shall abstain from voting on such resolutions.

4. DISCLOSURES :

- a) Details of all Material Related Party Transactions will be disclosed quarterly to the Stock Exchanges along with the Compliance Report on Corporate Governance.
- b) The Company will disclose the policy on dealing with Related Party Transactions on its website and a weblink thereto will be provided in the Annual Report.
