
Policy on Related Party Transactions

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirement) Regulations (Sixth Amendment) Regulations, 2021 read with SEBI/HO/CFD/CMD1/CIR/P/2021/662, dated 22nd November, 2021 issued by SEBI requires every listed company to formulate a policy on **materiality of Related Party Transactions and on dealing with Related Party Transactions including clear threshold limits duly approved by the Board of Directors and such policy shall be revised by the Board of Directors at least once every three years and updated accordingly**. Accordingly Jocil Limited amends the policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. This will come into force w.e.f. 01.04.2022.

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.
- d) **Material modifications** : A transaction with a related party shall be considered as materially modified if –
- i) in relation to an omnibus approved transaction, exceeds transaction limit approved by the audit committee.

- ii) in relation to material related party transaction, alteration of type, value, tenure, name and other terms and conditions specifically approved by the audit committee.

2. APPROVAL OF AUDIT COMMITTEE :

- (i) 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
 - 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

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.

- (ii) For approval of Material Related Party Transaction, the following information shall be provided to Audit Committee for its review.
 - a) Type, material terms and particulars of the proposed transaction;
 - b) Name of the related party and its relationship with the company, including nature of its concern or interest (financial or otherwise);
 - c) Tenure of the proposed transaction (particular tenure shall be specified);
 - d) Value of the proposed transaction;
 - e) The percentage of the company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.
 - f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the company:
 - (i) Details of the source of funds in connection with the proposed transaction;
 - (ii) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,

- Nature of indebtedness;
 - Cost of funds; and
 - Tenure;
- (iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- (iv) The purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.
- g) Justification as to why the RPT is in the interest of the company;
- h) A copy of the valuation or other external party report, if any such report has been relied upon;
- i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j) Any other information that may be relevant.

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

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.

The notice being sent to the shareholders seeking approval for any proposed Related Party Transaction shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- (a) A summary of the information provided by the management of the company to the audit committee as specified in point 2(ii) above;
- (b) Justification for why the proposed transaction is in the interest of the company;
- (c) Where the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the company, the details specified under point 2 (ii) (f) above;
- (d) A statement that the valuation or other external report, if any, relied upon by the company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- (e) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- (f) Any other information that may be relevant.

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.
- c) Company shall submit to the stock exchange disclosures of related party transaction in the format provided in **Enclosure** or such other format and within such time period as may be specified by SEBI from time to time.

DOKIPARRU
08-02-2022

sd/-xxx
CHAIRMAN

FORMAT FOR DISCLOSURE OF RELATED PARTY TRANSACTIONS

											Additional disclosure of related party transactions – applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
Sl.No	Details of the party (listed entity/subsidiary) entering into the transaction		Details of the counter-party			Type of related party transaction	Value of related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case of monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	PAN	Name	PAN	Relationship of the counter-party with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/issuance of debt/any other, etc.)	Cost	Tenure	Nature (loan/advance/Inter-corporate deposit/investment)	Interest Rate (%)	Tenure	Secured/unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)
Total																		