



POLICY ON RELATED PARTY TRANSACTIONS

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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

1. PREAMBLE

This Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions ("the Policy" or "this Policy") is framed by M/s. Oswal Minerals Limited (OML or Company), pursuant to the provisions of Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and in terms of Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder ("the Companies Act"), including any modification(s) / amendment(s) / re-enactment(s) thereof.

The Board of Directors (the "Board") of OML has adopted this policy to set forth the procedures by which transactions with Related Parties shall be reviewed for approval or ratification. The Policy is intended to ensure proper approval, disclosure and reporting of transactions between OML and its Related Parties, wherever applicable. Any Related Party Transaction may be entered into by the Company in accordance with the provisions of this Policy.

2. APPLICABILITY

This amended Policy shall be effective from 1 April 2022 for regulating transactions between the Company and its related parties based on the applicable laws and regulations.

3. DEFINITIONS

3.1 "Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and Listing Regulations.

3.2 "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. (Section 188 of the Companies Act, 2013)

3.3 "Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013)

3.4 "Control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

Provided that a Director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position; [As per SEBI (SAST) Regulation]

3.5 "Key Managerial Personnel" means key managerial personnel as defined under the Act and shall include (i) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-time Director; (ii) Company Secretary; and (iii) Chief Financial Officer; (iv) any other person appointed by the Board of Directors as Key Managerial Personnel.

3.6 "Material Modification" means any modification to the material Related Party Transaction which were approved by the Audit Committee / shareholders during the year which will change the

complete nature of the transaction and in case of monetary thresholds which is in excess of 10% of the originally approved transaction in case of exigencies only.

3.7 “Material Related Party Transaction” means transaction(s) with a Related Party where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees 1000 (one thousand) crore or 10 (ten) per cent of the annual consolidated Turnover of the Company as per the last Audited Financial Statements of OML, whichever is lower, as defined under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the contracts or arrangements prescribed under Companies Act, 2013 and as amended from time to time.

Notwithstanding the above, 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 5 (five) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.8 “Materiality Threshold” means limits for Related Party Transactions beyond which the Shareholders approval will be required as specified in the act, rules, listing regulation and amendments thereto.

3.9 “Transaction in Ordinary Course of Business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

3.10 “Policy” means Related Party Transaction Policy.

3.11 “Related Party Transaction” means transaction as defined in clause (zc) of sub-regulation (1) of Regulation 2 of the Listing Regulations.

3.12 “Relative” means relative as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and rules prescribed thereunder.

Any other terms and expressions used but not defined herein, shall have the same meaning as defined in the Companies Act, the Listing Regulations, and / or the rules and regulations made thereunder.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

4.1 Review and approval of related party transaction by the Audit Committee

1. All Related Party Transactions and subsequent Material Modifications shall be subject to prior approval of the Audit Committee of the Company whether at a meeting or by a resolution by

circulation or by any other manner as provided by the Companies Act or the rules and regulations made thereunder.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions with effect from January 1, 2022.

2. The Audit Committee of the Board shall review and, if appropriate, approve Related Party Transactions. Accordingly, at the first meeting of the Audit Committee in every Financial year, management shall present to the Committee, information with respect to all Related Party Transactions expected to be entered into during the forthcoming financial year. Audit Committee may grant omnibus approval subject to conditions specified in Companies Act, 2013 and Listing Regulations.

3. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company, pursuant to each of the omnibus approvals given. Such omnibus approvals shall be valid for a period not exceeding 1 (one) financial year and shall require fresh approvals after the expiry of such financial year. Omnibus approval shall not be made for the transactions in respect of selling or disposing off the undertaking of the Company.

4. No member of the Audit Committee shall participate in the review, consideration or approval of any Related Party Transaction with respect to which such member or any of his or her relatives is a Related Party.

5. 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.

6. If any additional Related Party Transactions are proposed to be entered into subsequent to the Committee's first meeting in the calendar year, the 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, if permitted).

7. All the Directors are required to declare and disclose their concerns or interests in any company(ies) or body(ies) corporate or firm(s) at the first Board meeting in every financial year and subsequently whenever there is any change therein.

8. The Audit Committee shall review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

9. If the Audit Committee determines that a Related Party Transaction is –

- a) A Material Related Party Transaction; or
- b) Not in the ordinary course of business; or
- c) Not on arm's length basis

the Audit Committee shall place the matter before the Board for obtaining its approval, unless exempted.

4.2 Approval of the Board

The Audit Committee shall report all Material Related Party Transactions & subsequent Material Modifications to the Board.

Where approval of Board is required for any Related Party Transaction or if the Board in any case elects to reviews any such matter or it is mandatory under any law for the Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

4.3 Shareholders' Approval

Unless exempted, the Company shall seek prior approval of shareholders for "Material Related-Party Transactions and subsequent Material Modifications" in a general meeting in the year in which the Related Party Transaction is undertaken or by postal ballot process. The resolution shall be an ordinary resolution or such resolution as may be required by the Companies Act and the Listing Regulations and all the Related Parties (if any) will abstain from voting on such resolution irrespective of whether the concerned entity is a party to the particular transaction or not.

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 and the Listing Regulations, include the following information as a part of the explanatory statement:

1. A summary of the information provided by the Company to the Audit Committee for approval of the proposed transaction;
2. Justification for why the proposed transaction is in the interest of the Company;
3. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details as provided to the Audit Committee for approval of the transaction;
4. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction shall be made available through the registered e-mail address of the shareholders;
5. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed transaction, on a voluntary basis;
6. Any other information that may be relevant.

4.4 Approval for unforeseen Related Party Transactions

Pursuant to Regulation 23(3) of the Listing Regulations, where the need for related party transaction cannot be foreseen and the details required to be disclosed are not available, the Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs.1 Crore (Rupees One Crore Only).

5. DETERMINATION OF MATERIALITY OF RELATED PARTY TRANSACTIONS

Material Related Party Transactions shall be determined by applying the following criteria:

Statutory Provisions under (Section 188(1) of Companies Act, 2013)		Approval Requirement		
		Audit Committee	Board	Members
Nature of Transaction				
a.	sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to			
	≥ 10% of Turnover	✓	✓	✓
	≥ 10% of Turnover	✓	✓	X
b.	selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to			
	≥ 10% of Net worth	✓	✓	✓
	≥ 10% of Net worth	✓	✓	X
c.	leasing of property of any kind, amounting to			
	≥ 10% of turnover	✓	✓	✓
	≥ 10% of turnover	✓	✓	X
d.	availing or rendering of any services, directly or through appointment of agent, amounting to			
	≥ 10% of Turnover	✓	✓	✓
	≥ 10% of Turnover	✓	✓	X
e.	appointment of any agent for purchase or sale of goods, materials, services or property, amounting to			
	≥ 10% of Turnover	✓	✓	✓
	≥ 10% of Turnover	✓	✓	X
f.	such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration of			
	≥ ₹2.50 lakh	✓	✓	✓
	≥ ₹2.50 lakh	✓	✓	X
g.	underwriting the subscription of any securities / derivatives thereof, of the company with a remuneration of			
	≥ 10% of Net worth	✓	✓	✓
	≥ 10% of Net worth	✓	✓	X
Statutory Provisions under SEBI (LODR) Regulations, 2015				
transfer of resources, services or obligations regardless of whether a price is charged and a transaction with related party shall be construed to include a single transaction or a group of transactions in a contract amounting to				
> Rs. 1000 Crore or 10% of annual consolidated turnover (whichever is lower)		✓	✓	✓
≤ Rs. 1000 Crore or 10% of annual consolidated turnover (whichever is lower)		✓	✓	X
Any Subsequent Material Modifications		✓	✓	✓

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee.
- The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction, to the extent permissible under the law.
- In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

7. POLICY REVIEW

This policy is framed based on the provisions of the Companies Act 2013 and rules thereunder and the requirements of the LODR.

In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Audit Committee and the Board of Directors as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Board. Any changes or modification on the policy would be approved by the Audit Committee and the Board of Directors. The Board may also, based on the recommendations from the Audit Committee, make any amendments to the Policy from time to time. The Policy shall be reviewed by the Board at least once in every 3 (three) years and updated as may be required.

8. DISCLOSURE

This Policy shall be uploaded on the website of the Company at <http://oswalminerals.com> and a web link thereto shall be provided in the section on Corporate Governance in the Annual Report.