



MYSORE PETRO CHEMICALS LIMITED

POLICY FOR TRANSACTIONS WITH RELATED PARTIES

Objective

This Policy shall regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company and also lay down mechanism for identification, approval, review and reporting of such transactions.

The Policy on Related Party Transactions may be amended at any time and is subject to any further change in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) or the Companies Act, 2013 (“the Act”) or rules/regulations made thereunder.

1. Definitions

“Arms 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.

“Audit Committee (Committee)” means Committee of Board of Directors of the Company constituted under provisions of the SEBI Listing Regulations as well as the Companies Act, 2013.

“Board” means Board of Directors of the Company.

“Industry Standards” means the ‘Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction’ issued by SEBI vide Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14th February, 2025 as amended from time to time.

“Key Managerial Personnel” a person as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Act.

“Material Related Party Transaction” means a transaction with a related party entered into individually or taken together with previous transactions during a financial year exceeds Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per its last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company

“Policy” means Policy for transactions with Related Parties.



“Related Party” means a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards.

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

- a) A Company and any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- b) A Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose of effect of which is to benefit a related party of the Company 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.

“Relative” means relative as defined under section 2(77) of the Companies Act, 2013.

“Significant related party transactions” means the transaction during a financial year which is equivalent to 10% of the annual consolidated turnover of the Company as per its last audited financial statements.

2. Materiality Threshold

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. The Company has fixed the following materiality threshold for the purpose of Regulation 23(1), 23(1A) and 23(4) of the SEBI Listing Regulations:

- Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per last its audited financial statements.
- Other transactions with a Related Party - Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per its last audited financial statements of the Company, whichever is lower.

3. “Significant related party transactions”

The management of the Company shall place before the Audit Committee a statement of significant related party transactions for its review.

4. Policy

All Related Party Transactions must be identified and reported to the Audit Committee, Board and Shareholders, wherever necessary, for their approval. The said transactions shall



be disclosed in accordance with the requirements of the Companies Act, 2013, SEBI Listing Regulations and the Accounting Standards.

4.1 Identification of Potential Related Party transactions

Each Director and Key Managerial Personnel is responsible for providing notice of disclosure of interest under Section 184 of the Companies Act, 2013 along with list of relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/individual disclosed by the Director/ KMP or any other related party without necessary approvals.

4.2 Procedure to be adopted for Related Party transactions

4.2.1 Approval of Audit Committee

Prior approval of the Audit Committee shall be required for:

All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;

RPTs where subsidiary is a party but the Company is not a party and the transaction amount exceeds the threshold of 10% of the standalone turnover of the subsidiary.

Further, the Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Prior approval of the Audit Committee shall not be required for:

- i Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- ii Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
- iii transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iv transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and



conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards.

The Company shall provide the Audit Committee with the information as specified in the Industry Standards while placing any proposal for review and approval of Related Party Transactions. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of 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.

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

‘Material Modifications’ of Related Party Transaction as defined by the Audit Committee, in relation to the Company means and includes any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

4.2.2 Approval of Board of Directors

- a. All the Related Party Transactions under Section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company. However, this policy will not apply to the transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm’s length basis.



- b. All the Material Related Party Transactions as per SEBI Listing Regulations shall be approved by the Board of Directors of the Company.

4.2.3 Approval of Shareholders

1.1.1 All material related party transactions and subsequent material modifications shall be approved by the Shareholders through a resolution and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not. The notice being sent to the shareholders seeking approval for any Related Party Transactions shall also include the information as part of the explanatory statement as specified in the Industry Standards.

4.3 Factors to be considered while granting approval to Related Party Transactions

The Audit Committee/Board shall consider the following factors, among others, to the extent relevant to the Related Party Transactions while granting its approval:

- a) Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c) Whether the Related Party Transaction would affect the independence of an independent director;
- d) Whether the transaction qualifies to be a transaction in ordinary course of business and at arm's length.
- e) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- f) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

4.4 Review & monitoring of Related Party Transactions:

The Audit Committee may review and monitor a Related Party Transaction taking into account the terms of the transaction, the business purpose of the transaction, the



benefits to the Company and to the Related Party, and any other relevant matters. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

5. Following transactions not to be considered as Related Party Transactions:

Notwithstanding the foregoing, the following shall not be considered as Related Party Transactions:

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
- b) The following corporate actions 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 right issue or a bonus issue; and
 - iv. buy-back of securities.
- c) Acceptance of fixed deposit.
- d) Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided the same is not material in pursuance to this Policy.

6. Ratification of Related Party Transactions

The members of the Audit Committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed Rs. 1 Crore;
- (ii) the transaction is not material in pursuance to this Policy.
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures required under Regulation 23(9) of the SEBI Listing Regulations;
- (v) any other condition as specified by the Audit Committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.



This Policy shall be communicated to all Directors, KMPs, operational employees and other concerned persons of the Company.

The above policy was adopted by the Board of Directors at their meeting held on 11th February 2014 and subsequently modified on 21st March, 2016, 29th May, 2019, 29th June, 2020, 14th February, 2025, 21st May, 2025 and 14th November, 2025.