

NILKAMAL LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

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NILKAMAL LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

TITLE

This Policy shall be called ‘Policy on materiality of Related Party Transactions and dealing with Related Party Transactions.’

OBJECTIVE

In due compliance with the requirements of the Companies Act, 2013 as amended from time to time and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”). Pursuant to Regulation 23 of the Listing Regulations, a policy needs to be formulated to deal with Related Party Transactions including formulating a policy on materiality of Related Party Transactions. This policy therefore lays down the mechanism to deal with Related Party Transactions.

DEFINITION

1. **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.
2. **Audit Committee:** means the Committee of the Board constituted from time to time under the provisions of Listing Regulations as amended from time to time and Section 177 of the Companies Act, 2013.
3. **Board:** means the Board of Directors of Nilkamal Limited.
4. **Company:** means Nilkamal Limited.
5. **Control:** means as defined under the Act 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.
6. **Key Managerial Personnel or KMPs:** means Key Managerial Personnel as defined under the Companies Act, 2013 and includes:
 - (i) Managing Director or Chief Executive Officer or Manager;
 - (ii) the Whole Time Director;
 - (iii) Chief Financial Officer; and
 - (iv) Company Secretary.

7. **Material modifications:** means - (a) In the case of related party transactions where Omnibus Approval of the Audit Committee has been obtained considering the repetitive nature of these transactions, any modification which has the effect of variation in the originally approved value of the transaction by 20% or more, or in the pricing criteria, or such other parameter as may be determined by the Audit Committee from time to time. (b) In the case of other related party transactions, any modification which has the effect of variation in the originally approved value of the transaction by 15% or more, or in the pricing, or such other parameter as may be determined by the Audit Committee from time to time. Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or is uniformly effected for similar transactions with unrelated parties shall not be regarded as Material Modification.
8. **Material related party transaction:** are transaction as defined under Regulation 23 of the Listing Regulations and the contracts or arrangements given under Section 188 and Rules framed thereunder of the Companies Act, 2013. Provided that in case of any amendment to the Act or Listing Regulations, definition of Material Related Party Transactions will be deemed to be changed without any further approval of Audit Committee or Board.
9. **Ordinary Course of Business:** with reference to a transaction with a related party means a transaction which is:
- (i) carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
 - (ii) historical practice with a pattern of frequency in conducting such transaction(s);
 - (iii) common commercial practice; or
 - (iv) meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time.
10. **Policy:** means this Policy, as amended from time to time.
11. **Related party:** means a related party as defined under Section 2(76) of the Companies Act, 2013 read with Rules thereto, or and Regulation 2(1)(zb) of the Listing Regulations, or under the applicable accounting standards as amended from time to time.
12. **Related party transaction or “RPT”:** means transactions as given under clause (a) to (g) of subsection (1) of Section 188 of the Act and the corresponding Rules thereto and as defined in Regulation 2(1)(zc) of the Listing Regulations, as amended from time to time.

Further, material Related Party Transactions (RPTs) approved by the Nomination & Remuneration Committee (NRC), within their respective terms of reference such as approval of remuneration to Directors and Key Managerial Personnel (KMPs), except who is part of promoter or promoter group, shall be deemed to have been approved by the Audit

Committee. Accordingly, such transactions will not require separate approval by the Audit Committee.

13. **Relatives:** is a relative as defined in Section 2(77) of the Companies Act, 2013 read with Rules thereto and Regulation 2(1)(zd) of the Listing Regulations.

14. **Transaction:** with a related party shall be construed to include a single transaction or a group of transactions.

IDENTIFICATION OF RELATED PARTY

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per 'Annexure 1' containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Sole Proprietorship and Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid-up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

In addition to the above, the Promoter(s) and Promoter Group will be responsible for providing a declaration containing the following information to the Company Secretary on an annual basis:

1. a body corporate in which Promoter(s)/Promoter Group holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate; or
2. a firm or other entity where the Promoter(s) or the Promoter Group is a partner, owner or member, as the case may be.

Every Director, Key Managerial Personnel, Promoter(s) and Promoter Group will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

Every Subsidiary of the Company shall provide its list of Related Parties to the Company on a quarterly basis and whenever there is a change in their related parties forthwith.

In addition to the above, the Company shall identify Related Parties as required under the Companies Act, 2013 and Listing Regulations, and regularly review and promptly update the list as needed.

Any transaction by the Company with a Related Party will be regulated as per this Policy.

APPROVAL OF RELATED PARTY TRANSACTIONS (RPTs)

I. Audit Committee

All Related Party Transaction whether new or modification in the existing transactions thereof shall be subject to approval of the Audit Committee as required under Companies Act, 2013/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Except otherwise provided in applicable laws, rules and regulations the approval of the Audit Committee can be granted by way of a circular resolution. The Audit Committee shall also approve any subsequent Material Modification of RPTs.

A. In summary, prior approval of Audit Committee is required for the following Related Party Transactions:

- i) Where the Company is a party
- ii) Where the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- iii) where subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
- iv) Transaction of the Company and/or its subsidiaries with unrelated parties, the purpose and effect of which is to benefit the Related parties of the Company or any of its subsidiaries.

B. Prior approval of the Audit Committee is not required for the following Related Party Transaction:

- i) Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23(1) of Listing Regulations.
- 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.

iii) Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

iv) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

C. In accordance with the Part A and Part B of Section III-B of the Master Circular dated November 11, 2024 and Circular dated June 26, 2025 read with Regulation 23(2), (3) and (4) of Listing Regulations, the Company shall place before the audit committee and shareholders, the minimum information as per the criteria laid down in the Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”(the “**Industry Standards**”) issued by the Industry Standards Forum and notified by SEBI from time to time basis.

In determining whether to approve a Related Party Transaction, the Committee will consider the aforesaid information as presented, among others, to the extent relevant to the Related Party Transaction.

D. Any member of the Audit Committee who has a potential interest in any related party transaction will abstain from discussion and voting on the approval of the related party transaction. Only members of the Audit Committee who are independent members shall approve all Related Party Transactions.

E. The Audit Committee may grant omnibus approval for Related Party Transactions of the Company or its subsidiaries in respect of transactions which are repetitive in nature.

In accordance with Regulation 23 of the SEBI Listing Regulations, omnibus approval for foreseen Related Party Transactions (RPTs) may be granted by the Audit Committee, provided that the aggregate value of such transactions does not exceed 10% of the annual consolidated turnover of the Company, as per the last audited financial statements, for each financial year.

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

The omnibus approval shall specify the minimum information as prescribed by the Industry Standards Forum (“ISF”) to ensure compliance with Part A and Part B of Section III-B of the Master Circular read with Regulation 23(2), (3) and (4) of Listing Regulations.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. Additionally, the Committee may also grant omnibus approval for RPTs of unforeseen nature not exceeding Rupees One Crore.

The Audit Committee shall review on a quarterly basis the details of RPTs entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

F 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 rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23 of Listing Regulations;
- (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 of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of 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.

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would seek post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations.

The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

II. Board Approval

As per Listing Regulations the Company to provide materiality thresholds for transactions beyond which the shareholders approval will be required by way of a resolution. The Company has fixed its materiality threshold at the level prescribed under Explanation to Regulation 23(1) of the Listing Regulations. Provided that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other limit as may be specified in the applicable Regulation as amended from time to time. Accordingly, in terms of Regulation 23 of the Listing Regulation, all Material

Related Party Transaction and subsequent material modification as defined by the Audit Committee shall be recommended by the Board of Directors to the Shareholders for their approval by way of Ordinary Resolution.

All Related Party Transactions (other than Material Related Party Transactions) pursuant to Section 188 of the Companies Act, 2013 which are not in the ordinary course of business or not an Arms' length transaction and cross the threshold limits prescribed under Companies Act, 2013 shall also require the approval of the Board and the Related Parties shall abstain from voting on such resolution(s).

Where any Director or Key Managerial Personnel is interested in any Related Party Transaction, such Director or Key Managerial Personnel will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Where the Audit Committee does not approve the RPTs, it shall make its recommendations to the Board.

If prior approval of Board or shareholders has not been taken, then such transaction needs to be ratified within 3 months of the date of entering into contract/ arrangement.

III. Shareholders' Approval

All Material Related Party Transactions and subsequent modification therein, shall require approval of shareholders of the Company through Special Resolution (unless it is exempted pursuant to the provisions of Listing Regulations as amended from time to time) and the Related Parties shall abstain from voting on such resolution(s) irrespective of whether the entity is a party to the particular transaction or not.

RPTs exceeding the limits prescribed under the Act and not in ordinary course of business and/or arm's length basis, shall require prior approval of the Board and shareholders, respectively.

The shareholders' approval of omnibus RPTs approved in an AGM shall be valid up to the date of the next AGM for a period not exceeding fifteen months. In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

All the information specified in the Act, Listing Regulations and Industry Standards, shall be provided to the shareholders for approving the RPT.

The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

DISCLOSURE

Appropriate disclosures as required under the Act and the Listing Regulations shall be made in the Annual Return, Directors Report and to the Stock Exchanges.

AMENDMENTS

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The Policy shall be reviewed by the Audit Committee and the Board every three years.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by Securities and Exchange Board of India/Stock Exchanges, that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s).

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Listing Regulations or Rules and Regulations made thereunder or under the applicable accounting standards as amended from time to time.

ANNEXURE 1
**NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL/
PROMOTER(S) AND PROMOTER GROUP**

To,
The Company Secretary/Compliance Officer
Nilkamal Limited
77/78, Nilkamal House, Road No. 13/14, MIDC,
Andheri (East), Mumbai – 400 093.

Dear Sir/Madam,

I, _____, son/daughter/spouse of _____, resident of _____, holding _____ Equity Shares of Rs. 10/- each (_____percent of the paid-up Capital) in the Company in my name, being a _____in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

Sr. No.	Name of the Companies/Bodies Corporate/Firms/ Association of Individuals	Nature of Interest or concern / Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose/changed

The following body corporate in which Promoter(s)/Promoter Group holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate; or

Sr. No.	Name of the Body Corporate	holds more than 2% shareholding or voting rights

The following firm or other entity where the Promoter(s) or the Promoter Group is a partner, owner or member, as the case may be.

Sr. No.	Name of the Body Corporate	Nature of Interest or concern / Change in Interest or Concern

The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions;

Sr. No.	Name of the Body Corporate

I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation

Place:

Date:

Signature: _____

Name: _____

Designation: _____

**SCHEDULE
LIST OF RELATIVES**

No.	Relationship	Full Name	PAN	Address	Shareholding in Nilkamal Limited
1	Self				
2	Spouse				
3	Father (including Step- Father)				
4	Mother (including Step- Mother)				
5	Son (including Step-son)				
6	Son's Wife				
7	Daughter				
8	Daughter's Husband				
9	Brother (Including Step-Brother)				
10	Sister (Including Step-Sister)				
11	Members of HUF				