



NUMALIGARH REFINERY LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

AND

DEALING WITH RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTION POLICY
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DEALING WITH RELATED PARTY TRANSACTIONS

1. APPLICABILITY AND EFFECTIVE DATE

Numaligarh Refinery Limited (“The Company”) has formulated a **Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions.**

This Policy is formulated to regulate the related party transactions based on the applicable laws, rules and regulations, as amended from time to time.

This policy will be effective from the date of issue i.e. 11th August, 2025.

2. DEFINITIONS

- a. **“Act”** means the Companies Act 2013 and rules made thereunder as modified or amended from time to time.
- b. **“Arm’s Length Transaction”** as defined in explanation (b) to Section 188 (1) of the Companies Act 2013, means **a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.**
- c. **“High value debt listed entity”** will constitute an entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees One Thousand Crore and above.
- d. **“Material Related Party Transaction”**
 - 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 Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
 - 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, exceeding 5% of the annual consolidated turnover of the Company as per the last audited financial statements.
- e. **“Material Modifications”** Material modifications to a Related Party Transaction (RPT) shall mean any change in the terms of the transaction which results in change in the value of transaction by 20% or more than the approved value of the transaction.

Provided that a change in the value of RPT on account of the following shall not be considered as Material Modification:

- Change in quantity or rate of the existing RPT due to reasons beyond the control of the Related Parties.
 - Change due to revision / imposition of statutory levies like taxes, duties, etc.
- f. **“Ordinary Course of Business”** includes, but not limited to, activities that are necessary, normal, and incidental to the business.
- g. **“Related Party” (RP) and “Related Party Transactions” (RPT)** would have the same meaning as defined under the Act or SEBI LODR or the applicable Accounting Standards.

All terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and SEBI LODR 2015, as amended from time to time.

3. IMPLEMENTATION PROCEDURE

All RPT’s and Material Modification to RPT’s shall be in compliance with the provisions of the Act, SEBI LODR, and applicable accounting standards, as amended from time to time, and shall inter-alia include the following:

- Approval of Audit Committee for RPT’s and Material Modification to RPT’s, if any; omnibus approval for repetitive transactions and review thereof on quarterly basis.
- Approval of the Board of Directors for RPT’s that are not in the ordinary course of business or not on arm’s length basis.
- For material RPTs/material modifications, after audit committee approval and with the recommendation of the Board, **NOC is required from:**
 - The Debenture Trustee; and
 - Debenture holders (other than related parties) holding at least 50% in value (by voting/e-voting) for NCDs issued on or after April 1, 2025.
- Only after obtaining NOCs, the transaction can be placed for shareholders’ approval.
- Approval of Shareholders for Material RPT’s and Material Modification thereto, if any.

4. MODIFICATION/AMENDMENT/REVIEW OF THE POLICY

Modification/Amendment, if any, to this policy shall be made with the approval of the Committee of Functional Directors of the Company. However, the policy shall be placed for review by the Board of Directors at least once every three years.

5. DISCLAIMER

In case of any discrepancy between the above Policy, the Companies Act, 2013 and SEBI LODR, 2015 or any rule or regulations made there under or under any other applicable statutory enactment of law, the enacted law/ rule/ regulation/ provision shall prevail over the above Policy. Any subsequent amendment/ modification in the Listing Regulations, Act and/ or applicable law in this regard shall automatically apply to this Policy.
