



Tamilnadu Petroproducts Limited

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POLICY ON MATERIALITY OF TRANSACTIONS WITH RELATED PARTIES

(Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

(As approved by the Board of Directors at the meeting held on 9th February 2022)

- a. For the purpose of this Policy, Related Party and Related Party Transactions shall be construed in accordance with the extant definitions of these under SEBI (LODR) Regulations, 2015, as amended (the Regulations).
- b. All transactions with related parties shall be in the ordinary course of business and at arms' length within the meaning of Section 188 of the Companies Act 2013 (the Act) and other applicable provisions. Transactions not conforming to the above shall be subject to such approvals as prescribed under the relevant law.
- c. Pursuant to Regulation 23 (2) of the Regulations, all transactions with the Related Parties and any material modification thereto shall be subject to prior approval of the Audit Committee unless exempted under the Regulations or the Act or other relevant rules and regulations.

Explanation: For the purpose of the above, modification to Related Party Transactions shall be deemed material if the increase in aggregate value of actual transactions with a Related Party is more than 25% of the originally approved amount, where such original amount approved is upto Rs. 10 crore and in other cases if such increase is more than 10% of the original approved amount.

- d. The Audit Committee may provide omnibus approval for routine related party transactions on an annual basis which shall be strictly in accordance with the provisions of the Regulations, the Act and other applicable laws.
- e. For the purpose of determining material related party transactions during a financial year, the threshold limit shall be
 - For transactions other than payment for brand usage or royalty, ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements and
 - For payment towards brand usage or royalty, five per cent of the consolidated turnover of the Company during the preceding financial year.
Provided that the aforesaid threshold limits shall stand modified automatically to align with any changes to the Regulations or other applicable laws for the time being in force.
- f. The aggregate of the transactions with a related party exceeding the aforesaid limits shall be treated as material requiring such approvals prescribed under the Regulations or other applicable laws.

This Policy shall remain in force for a period of three years from 1st April 2022 unless modified by the Board.