NITIN CASTINGS LIMITED

CIN: L65990MH1982PLC028822

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

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[*Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*]

I. INTRODUCTION

Nitin Castings Limited **("Company**") recognizes that Related Party Transactions (*as defined hereinafter*) can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its stakeholders. Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 ("**Companies Act**") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") as amended from time to time, the Company has adopted this Policy regarding the review and approval of Related Party Transactions and to set forth the guidelines on materiality of such Related Party Transactions .

II. DEFINITIONS

"Arm's Length Transaction" means a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Audit Committee" means Audit Committee constituted by the Board of Directors of the Company as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) and the Act, from time to time.

"Board of Directors" or **"Board"** means the Board of Directors of the Company, as constituted from time to time.

"**Financial Year"** means the period beginning April 1 of every calendar year and ending on March 31 of the succeeding calendar year.

''Relative'' shall have the same meaning as defined in section 2(77) of the Act.

"Related Party" shall have the meaning given to it under the LODR Regulations.

"Related Party Transaction" shall have the meaning as given under Regulation 2(1)(zc) of the LODR Regulations and includes a Related Party Transaction within the meaning of Companies Act, 2013.

"Material Modification" means any variation from the approved limit of Related Party Transaction resulting in a deviation to the extent of 10% from the limits which were approved by the Audit Committee/ Board of Directors/ Shareholders."

"Material Related Party Transactions" shall mean a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the following thresholds:

(a) In case of transaction involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements.
(b) In case of any other transaction, if the amount exceeds Rs. 1,000 Crores or 10% percent of the annual consolidated turnover of the Company as per its last audited financial statements of the Company, whichever is lower.

"**Ordinary course of business**" means 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 its Memorandum of Association & Articles of Association.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, LODR Regulations or any other applicable law or regulation and as amended from time to time.

III. PROCESS AND PROCEDURE FOR DEALING WITH RELATED PARTY TRANSACTIONS

All Related Party Transactions (and amendments or modifications thereto) shall be reported to the Audit Committee and referred for the approval of the Audit Committee or the Board of Directors or Shareholders of the Company as may be required and in the manner provided under this Policy.

A. <u>Transactions requiring approval of the Audit Committee</u>:

a) Prior approval of the Audit Committee shall be required for all Related Party Transactions and subsequent Material Modifications, except for the transactions entered into between the Company and its wholly owned subsidiary(ies) or 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.

b) Prior approval of the Audit Committee shall also be required for a Related Party Transaction to which only the subsidiary of the Company is a party, but the Company is not a party; if the value of such transactions either individually or together with previous transactions in the financial year exceed the limits prescribed under LODR Regulations.

Provided that, prior approval of the Audit Committee shall not be required for a Related Party Transaction entered into by a Listed Subsidiary of the Company, where the Listed entity is not a party to the Related Party Transaction and Regulation 23 as well as sub-regulation (2) of Regulation 15 of LODR Regulations is applicable to the Listed Subsidiary.

c) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval, which shall include the following, namely:
   (i) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
   (ii) The maximum value per transaction which can be allowed;
   (iii) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
   (iv) Review, at least once every quarter, related party transactions entered into by the Company pursuant to each omnibus approval made;
   (v) Transactions which cannot be subject to the omnibus approval by the Audit Committee

d) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
   (i) Repetitiveness of the transactions (in past or in future);
   (ii) Justification for the need of omnibus approval

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

f) Any member of the Audit Committee interested in any Related Party Transaction shall not vote to approve the Related Party Transaction. Furthermore, only those members of the Audit Committee who are Independent Directors, shall approve Related Party Transactions.

g) Such omnibus approval shall provide for the following details:
   (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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. Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

h) Such omnibus approvals shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year.

i) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

j) Omnibus approval shall be subject to such other conditions as the Audit Committee may deem fit.

In compliance with the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

a. The maximum value of the transactions, in aggregate, which can be allowed under omnibus approval route in a year will be 10% of the annual consolidated turnover of the Company as per its last audited financial statements.

b. The maximum value per transaction which can be approved under omnibus route will be the same as the thresholds of a Material Related Party Transaction.

c. While assessing a proposal put up before the Audit Committee for approval, the Audit Committee may review the following documents/ seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

   (i) Nature of the transaction i.e. details of goods or property to be acquired/ transferred or services to be rendered/ availed (including transfer of resources) – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
   (ii) Key terms of the proposed transaction, including value and quantum;

(iii) Special terms covered/ to be covered in separate letters or undertakings or any other special or sub-arrangement forming part of composite transaction;

(iv) Benchmarking information that may have a bearing on the arm's length basis analysis, such as:

- Market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
- Third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
- Management assessment of pricing terms and business justification for the proposed transaction;
- Comparative analysis, if any, of other such transactions entered into by the Company

d. Transactions of the following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions which are not at arm's length or not in the ordinary course of business
- Transactions which are not repetitive in nature
- Transactions exceeding materiality thresholds as laid down in this Policy
- Transactions in respect of selling or disposing of the undertaking of the Company
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

B. <u>Transactions requiring approval of the Board of Directors</u>:

Approval of the Board shall be required for entering into the Related Party Transactions which are not in the ordinary course of business or not an Arm's Length Transaction.

C. <u>Transactions requiring approval of the Shareholders of the Company</u>:

All Material Related Party Transactions and subsequent material modifications shall be placed before the shareholders for their prior approval and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. The requirement for obtaining shareholders' approval is not applicable for the transactions entered into between the Company and its wholly owned subsidiary(ies) or of 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.

Provided that, prior approval of the Audit Committee shall not be required for a Related Party Transaction entered into by a Listed Subsidiary of the Company, where the Listed entity is not a party to the Related Party Transaction and Regulation 23 as well as sub-regulation (2) of Regulation 15 of LODR Regulations is applicable to the Listed Subsidiary.

IV. DISCLOSURE

The particulars of contracts or arrangement with Related Parties referred to in section 188(1) of the Act shall be disclosed in the report of the Board as per Section 134 of the Act. Further, the Company shall provide additional disclosures on related party transactions as required under Regulation 23 of the SEBI (LODR) Regulations, 2015.

The Company shall submit disclosures of Related Party Transactions on a consolidated basis, in the format specified by the Securities and Exchange Board of India to the stock exchanges and publish the same on its website within the time limit prescribed under LODR Regulations.

V. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

VI. POLICY REVIEW

This Policy shall be subject to review and changes as may be deemed necessary by the Board of Directors and to comply with any regulatory requirements.

Policy is updated w.e.f 14.08.2026