

AG VENTURES LIMITED
(FORMERLY ORIENTAL CARBON & CHEMICALS LIMITED)
POLICY ON RELATED PARTY TRANSACTIONS

The Board of Directors (the “Board”) of AG Ventures Limited (Formerly Oriental Carbon & Chemicals Limited) (the “Company”) has adopted this Policy on Related Party Transactions (“the Policy”), as required in terms of Companies Act, 2013, the SEBI LODR (defined herein below) at its meeting held on 29.05.2014.

However, pursuant to amendments in Companies Act, 2013, the SEBI LODR (defined herein below) and considering its impact on the compliance and disclosures pertaining to Related Party Transactions, this Policy was amended by the Board of Directors of the Company at its meeting held on 09.11.2015, 02.02.2021, 01.02.2022, 28.05.2025 and 04.08.2025 respectively.

The Board or the Audit Committee of the Board (“Audit Committee”), subject to confirmation by Board, may review and amend this policy from time to time.

EFFECTIVE DATE

This Policy shall become effective from 4th August, 2025. This Policy may be amended, pursuant to the recommendation of the Audit Committee and subject to the approval of the Board.

SCOPE AND PURPOSE

The Companies Act, 2013, the Rules framed thereunder as well as Regulation 23 of SEBI LODR, contain detailed provisions on Related Party Transactions.

This Policy on Transactions with Related Parties (Policy) has been framed as per the requirements of the Regulation 23 of SEBI LODR and is intended to ensure proper approval and reporting of the transactions between the Company and its Related Parties.

The Board recognizes that certain transactions present a risk of conflicts of interest or the perception thereof. Therefore, the Board has adopted this Policy to ensure that all Related Party Transactions shall be subject to this policy and approval or ratification in accordance with Applicable Law. This Policy contains procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions.

CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous application of Applicable Law at the time of its implementation. Further, the Policy shall be reviewed and updated accordingly by the Board of Directors at least once in every three years.

Likewise, reference in this Policy to accounting standards shall be deemed to refer to the contemporaneous accounting standards as applicable to the Company at the relevant time.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them, in the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder, or SEBI LODRs, as amended, from time to time.

DEFINITIONS

1. “Applicable Law” means the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**SEBI LODR**) and includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.
2. “Associate Company” shall be as defined under the Companies Act, 2013 and SEBI LODR:

A. Companies Act, 2013:

In terms of Section 2(6) of the Companies Act, 2013 *“Associate Company” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.*

For the purposes of this term Associate Company, “significant influence” means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement.

For the purposes of this term Associate Company "Joint Venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

B. SEBI LODR:

In terms of definition under Regulation 2 (1) (b) of SEBI LODR, “Associate” shall mean any entity which is an associate under sub-section (6) of section 2 of Companies Act, 2013 or under the applicable accounting standards.

The applicable Indian Accounting Standard 24 pertaining to Related Party Disclosures (IND AS 24) notified by the Companies (Indian Accounting Standards) Rules, 2015, uses the terms “associate” as defined under IND AS 28 to mean “an entity over which the investor has significant influence.”

Further, as per IND AS 24 “In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate’s subsidiary and the investor that has significant influence over the associate are related to each other.”

For the purposes of IND AS 24, “significant influence” means the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies as defined under IND AS 28.

3. “Compliance Officer” means the Company Secretary of the Company.
4. “Key Managerial Personnel” means
 - (i) Chief Executive Officer or Managing Director or the Manager;
 - (ii) Company Secretary;
 - (iii) Whole-Time Directors;
 - (iv) Chief Financial Officer
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed.
5. “Material Related Party Transactions” shall have the same meaning as defined in Regulation 23 of SEBI Listing Regulations.
6. “Relative(s)” shall have the same meaning as assigned to it under Section 2 (77) of the Companies Act, 2013 and the Rules made thereunder and Regulation 2 (1) (zd) of SEBI LODR.
7. “Related Party” with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Clause (zb) of Regulation 2(1) of SEBI LODR.
8. “Related Party Transaction” shall have the meaning as defined under Regulation 2(1) (zc) of the SEBI Listing Regulations and include all transaction as envisaged in Section 188(1) of the Companies Act, 2013.
9. Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions for the purpose of this Policy:
 - (i) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel, in accordance with the provisions of Companies Act, 2013, in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
 - (ii) Reimbursement of expenses incurred by a Related Party for business purpose of the Company.
 - (iii) Reimbursement of pre-incorporation expenses incurred by a Related Party as approved by the Board of Directors.

- (iv) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party, or other pro rata interest of a Related Party included in a transaction involving generic interest of stakeholders involving one or more Related Parties as well as other parties.
- (v) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require approval in advance by the Audit Committee.

All terms not defined herein shall take their meaning from the Applicable Laws.

POLICY STATEMENT

1. Subject to the following provisions, all the Related Party Transactions proposed to be entered into by the Company shall require the prior approval of the Audit Committee, including those transactions proposed to be entered in the ordinary course of its business.
2. All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits prescribed under Rule 15 (3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, which are not in the ordinary course of business of the Company or on an arm's length basis shall in addition to the prior approval of the Audit Committee, also require prior approval of the Board of Directors of the Company.
3. Materiality Thresholds: As per Explanation to Regulation 23 of SEBI (LODR) Regulations, 2015, 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 listed entity as per the last audited financial statements of the listed entity, whichever is lower.
4. All the Material Related Party Transactions exceeding the threshold limits as prescribed under –
 - a. Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall require prior approval of the Audit Committee, the Board and the shareholders of the Company by way of Resolution and the related parties interested in such transaction shall abstain from voting in such resolution.
 - b. Regulation 23 of the SEBI LODR, shall require prior approval of the Audit Committee, the Board and the shareholders of the Company by way of Resolution and the related parties shall abstain from voting in such resolution, irrespective of whether the entity is a related party to such transaction or not.

Further, the aforementioned conditions shall not apply if the transaction is entered into with wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

5. However, it is clarified that all such Related Party Transactions, as are specified, and exceeding the threshold limits prescribed under Rule 15(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, which are in the ordinary course of business and also on an arm's length basis, will only require the prior approval of the Audit Committee, provided that such Related Party Transactions do not exceed the materiality threshold as provided under Regulation 23 of the SEBI LODR.

6. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

A. Identification of Related Parties

The Compliance officer / Company Secretary shall all the time identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 23 of SEBI (LODR) Regulations, 2015. The record of Related Parties shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year. The record of Related Parties shall be placed before the Audit Committee.

B. Procedures for review and approval of Related Party Transactions

Approval of Audit Committee:

- (a) All Related Party Transactions and subsequent material modification must be referred for prior approval to the Audit Committee. in accordance with this Policy.
- (b) The threshold limits for approvals will be as follows:
 - i. The transactions for which omnibus approval of the Audit Committee has already been sought will not require prior approval of the Audit Committee for each transaction entered into pursuant to the same. Where the need/purpose of the transactions to be entered into with Related Parties cannot be foreseen and details related to name of the party, nature of transaction, maximum amount of transaction, indicative base price / current contracted price and the formula for variation in the price and such other parameters as may be laid down by the Audit Committee, are not available at the time of taking such approval, the omnibus approval for such transactions shall be granted subject to their value not exceeding Rs.100 lakhs per transaction (**Immaterial Transactions**). Further, such transactions shall be reported to the Audit Committee quarterly.
 - ii. All Related Party Transaction for which no omnibus approval has been accorded as above, shall require prior approval of Audit Committee.

- iii. Where Related Party transactions have been entered into prior to such transactions being placed before the Committee reasoned explanation for the same must be received from the contracting employees to the satisfaction of the Audit Committee.
- (c) Related Party Transaction to which the subsidiary of the Company is party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of the transaction whether entered into individually or taken together with previous transactions during the financial year exceeds 10% of annual consolidated turnover, as per the last audited financial statements of the Company.
- (d) W.e.f. April 01, 2023, a Related Party Transaction to which the subsidiary of the company is party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of the transaction whether entered into individually or taken together with previous transactions during the financial year exceeds 10% of annual standalone turnover, as per the last audited financial statements of the subsidiary.
- (e) Prior approval of the Audit Committee is not required for a related party transaction to which the listed subsidiary is party, but the Company is not a party, if Regulation 23 and sub regulation (2) of regulation 15 of the SEBI LODR are applicable to such listed subsidiary.
- (f) 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, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.
- (g) Related Party Transactions that are not in ordinary course of business but on arm's length basis may be approved by Audit Committee. Where such transactions fall under Section 188 (1), the Audit Committee shall recommend the transaction for approval of the Board.
- (h) Related Party Transactions that are not on arm's length basis, irrespective of whether the transactions are covered under Section 188 or not, shall be recommended by the Audit Committee to the Board for appropriate action.
- (i) The Audit Committee shall mandatorily review the statement of all related party transactions submitted by management.
- (j) The Audit Committee will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would require the approval of the Board, or if the Board in any case elects to review any such matter, the Audit Committee will report the Related Party Transaction, together with a summary of material facts, to the Board for its approval.
- (k) If the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of a resolution pursuant to Applicable Law or as mentioned in Para C below, the Board shall ensure that the same be put up for approval by the shareholders of the Company.

However, for those Related Party Transactions covered under LODR and Section 188 of the Companies Act, 2013, 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 are exempted from compliance requirements under the said clause.

- (l) If prior approval of the Audit Committee for entering into a Related Party Transaction is not feasible, then 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), 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 this regulation;
- (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 this regulation;
- (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.

- (m) In determining whether to approve or ratify a Related Party Transaction, the Audit Committee will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favourable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.
- (n) No Director or Key Managerial Personnel shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board.
- (o) If a Related Party Transaction will be on-going, Audit Committee may establish guidelines for the Company's management to follow in its on-going dealings with the Related Party.

Thereafter, the Board, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Act and rules made thereunder, SEBI LODR and this Policy and that the Related Party Transaction remains appropriate.

- (p) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

C. Omnibus Approval by the Audit Committee

For the ease of carrying out transactions/ contracts/ arrangements, the Audit Committee may grant omnibus approvals to the following transactions, subject to clause (b) i above, at any meeting during the financial year, which will be valid for the same financial year only. However, omnibus approval for the next financial year may be given in the last meeting of preceding financial year. Omnibus approvals shall be granted subject to the following:

- i. Frequency of the transactions in the last [3] years;
- ii. Volumes of transactions undertaken with such Related Party. The maximum value of the transactions, per transaction or in aggregate, per related party, shall not exceed lower of the followings –
 - I. the threshold limits prescribed under Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, in case the Related Party Transactions falls under transactions specified under Section 188 (1) of Companies Act, 2013; or
 - II. 10% of annual consolidated turnover of the Company.
- iii. Disclosure of the following matters to the Audit Committee at the time of seeking omnibus approval in a manner so as to enable effective decision making.
 - I. Projected growth rate in the business with the Related Party in the financial year for which omnibus approval is sought.
 - II. Contractual terms offered by third parties for similar transactions.
 - III. Adherence to any conditions on the contractual terms with such Related Parties for instance floor and cap on the pricing, credit terms, escalation in costs, quality checks etc.
 - IV. All information as required under SEBI Master Circular(s), as amended.
 - V. All information as required under Industry Standards issued by Industry Standards Forum (“ISF”), effective from July 1, 2025.
- iv. Such omnibus approval shall specify the following:

- a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- b. the indicative base price or current contracted price and the formula for variation in the price, if any;
- c. The maximum transaction values and/or the maximum period for which the omnibus approval shall be valid; and
- d. 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 rupees one crore per transaction.

- v. Where the Audit Committee is not convinced on the need for granting omnibus approvals, the Audit Committee may reject the proposal placed before it with reasonable explanation for the same.
- vi. Notwithstanding the generality of foregoing, Audit Committee shall not grant omnibus approval for following transactions:
 - a. Transactions which are not in ordinary course of business or not on arm's length basis;
 - b. Transactions which are not repetitive in nature.
 - c. Transactions in respect of selling or disposing of the undertaking of the Company;
 - d. Transactions which are not in the interest of the Company;
 - e. Such other transactions specified under Applicable Law from time to time.

D. Standards for Review

A Related Party Transaction reviewed under this Policy will be considered approved or ratified if it is authorized by the Audit Committee / Board, as applicable, in accordance with the standards set forth in this Policy and the applicable Industry Standards on RPT.

Certificates from the CEO or CFO or any other KMP of the Company and from every director of the who is also Promoter ("Promoter Director") to the effect that:

- (i) the RPTs to be entered into are not prejudicial to the interest of public shareholders; and
- (ii) the terms and conditions of the RPT are not unfavorable to the listed entity, compared to the terms and conditions, had similar transaction been entered into with an unrelated party.

However, if any promoter director does not provide such certificate, the same shall be informed to the Audit Committee and the shareholders, if it is a material RPT as specified in Para 1(1) of Industry Standards.

The Audit Committee / Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee / Board, as applicable, may approve / ratify / recommend to the shareholders, the Related Party Transaction only if the Audit Committee / Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee / Board, in its sole discretion, may impose such additional conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

E. Determination of Ordinary Course of Business

- (i) A transaction shall be deemed to be “in the Ordinary Course of Business” of the Company, if:
 - A. Any of the following conditions are met:
 - a. The transaction, including, but not limited to sale or purchase of goods or property, or acquiring or providing of services, conveying or accepting leases, transfer of any resources, hiring of any executives or other staff, providing or availing of any guarantees or collaterals, or receiving or providing any financial assistance, or issue, transfer, acquisition of any securities, is in the normal routine of the Company’s business; or
 - b. The transaction is in the nature of reimbursements, received or provided, from or to any related party, whether with or without any mark-up towards overheads, and is considered to be congenial for collective procurement or use of any facilities, resources, assets or services in the normal routine of the Company’s business and subsequent allocation of the costs or revenues thereof to such related party in an appropriate manner;
 - c. That the transaction is such that it would have been entered into with a non related party if it was not entered with related party; AND
 - B. The transaction is not
 - a. an exceptional or extra ordinary activity as per applicable accounting standards or financial reporting requirements;
 - b. Any sale or disposal or any undertaking of the Company, as defined in explanation (i) to clause (a) of sub-section (1) of section 180 of Companies Act, 2013.
- (ii) In order to decide whether or not a contract or arrangement is being entered by the Company is in its ordinary course, the Company shall consider whether such contract/ arrangement is germane to attainment of the main objects as set out in its Memorandum of Association.
- (iii) The Company may also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been

undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.

These are not exhaustive criteria and the Audit Committee may assess transactions, considering its specific nature and circumstances.

F. Determination of Arms' length nature of the Related Party Transaction

- (i) The following illustrative tests may be used by the Audit Committee for ascertaining arm's length nature of contracts / arrangements that may be entered into by the Company with related parties, or any modification, variation, extension or termination thereof: -
 - a. The contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
 - b. The contracts/ arrangements have been commercially negotiated.
 - c. The pricing is arrived at as per the rule/guidelines that may be issued by or acceptable for the purpose of Ministry of Corporate Affairs, Government of India/ Income Tax Act, 1961, Securities and Exchange Board of India as applicable to any of the contract/ arrangements contemplated under the Companies Act, 2013, Rules framed thereunder or SEBI LODR.
 - d. The terms of contract/arrangement other than pricing are generally on a basis similar to those as may be applicable for similar category of goods and services or similar category/ profile of counterparties.
 - e. Such other criteria as may be issued under Applicable Law.
- (ii) Further, in order to determine the optimum arm's length price, the Corporation may also apply the most appropriate method from any of the following methods as prescribed under Section 92C(1) of the Income Tax Act, 1961 read with Rule 10B of the Income Tax Rules, 1962 –
 - a. Comparable Uncontrolled Price method (CUP method)
 - b. Resale Price Method
 - c. Cost Plus Method
 - d. Profit Split Method
 - e. Transactional Net Margin Method
 - f. Other Method as prescribed by the Central Board of Direct Taxes

G. Disclosures

- (a) The Company shall submit to Stock Exchanges disclosure of the related party transaction in format specified by SEBI from time to time in every six months on the date of publication of its standalone and consolidated financial results, and publish the same on its website.
- (b) The Company is required to disclose Related Party Transactions covered under Section 188 of the Companies Act, 2013 in the Company's Board's Report to shareholders of the Company at the Annual General Meeting as follows:
 - a. All Material Related Party Transactions; and
 - b. All Related Party Transactions not entered into at arm's length basis
- (c) Details of all Material Related Party Transactions as required by Applicable Law shall be disclosed quarterly along with the Company's Compliance Report on Corporate Governance, in accordance with the SEBI LODR.
- (d) Annual affirmations shall be provided in the format prescribed under SEBI LODR to be submitted by the listed entity at the end of financial year (for the whole of financial year).
- (e) The Company is also required to disclose this Policy on its website and also provide web link to the same in the Annual Report of the Company.
- (f) The Company shall keep one or more registers as specified under Applicable Law giving the particulars of all contracts or arrangements with any related party.