

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON
DEALING WITH RELATED PARTY TRANSACTIONS ('RPT POLICY')**

1. Scope and Purpose of the RPT Policy

Selan Exploration Technology Ltd. ("SETL" or "the Company") is governed, amongst others, by the provisions of the Companies Act, 2013 (Act) and the Regulations framed by the Securities and Exchange Board of India (SEBI). Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), SEBI has mandated that every listed company shall formulate a policy on materiality of RPT, dealing with RPT and on what constitutes 'materiality' for modifications of RPT. Accordingly the company has formulated this policy which will regulate all transactions between the Company and its Related Parties.

The Board of Directors of the company (Board) on recommendation of the Audit Committee of the Board (Audit Committee) has approved this policy and the Board shall review the policy once in three years and may amend the same from time to time.

The RPT Policy will set out –

- a) Thresholds for materiality of Related Party Transactions.
- b) what constitutes Material Modifications
- c) Manner of dealing with and disclosing the transactions between the Company and its Related Party.

In the event of any conflict between the provisions of this Policy and the Act or the Regulations, the provisions of the Act and the Regulations shall prevail. In the event of any differences in the provisions of the Act and the SEBI LODR, the higher threshold shall be read into this Policy as a statutory requirement.

2. Materiality Thresholds

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 INR 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.

Notwithstanding the above, 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, exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements.

3. Material Modification(s)

Material modification in relation to a Related Party Transactions (RPTs) shall mean any variance of 20% of existing limit or INR 50 crores whichever is lower.

Registered Office:

J – 47/ 1, Shyam Vihar Dindar,
Najafgarh, New Delhi – 110 043.
CIN No.: L74899DL1985PLC021445,
Email: admin@selanoil.com
Website: www.selanoil.com

Corporate Office:

8th floor, Imperia Mindspace,
Golf Course Extension Road,
Sector – 62, Gurgaon – 122 102
Haryana.

4. Policy

4.1 All related party contracts/arrangements shall be entered on arm's length basis. Arms 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.

4.2 The Company may obtain Omnibus approval from Audit Committee for repetitive transactions subject to compliance of the conditions laid down in the SEBI LODR and the Companies Act, 2013.

4.3 The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

5. Approval

5.1 All Related Party Transaction(s) of the Company and subsequent material modifications thereto, shall require prior approval of the Audit Committee. The Audit committee shall consider all relevant factors while deliberating the RPT for its approval.

5.2 Any member of the Audit committee who has a potential interest in any RPT shall recuse himself and abstain from discussion and voting on the approval of the RPT.

5.3 A RPT entered into by the Company, which is not under the omnibus approval or otherwise pre approved by the Audit committee, will be placed before the Audit committee for ratification.

5.4 The Audit Committee shall also pre approve RPT where the company is not a party but the company's subsidiary is a party, if the value crosses the threshold as prescribed in the SEBI LODR.

5.5 All transactions which are not in the ordinary course of business or not at arm's length shall be placed before the Board for its approval. Ordinary course of business means the 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 the Memorandum of Association. A member of the Board who has any interest or potential conflict of interest, in any RPT will recuse himself and abstain from discussion and voting on the approval of the RPT.

5.6 All transactions with related parties meeting materiality thresholds and thresholds for material modifications as laid down in this Policy shall be placed before shareholders for approval for passing of appropriate Resolutions as provided in the Companies Act and the SEBI LODR.

5.7 All Related Party Transaction(s) of the Subsidiary exceeding the threshold of material related party transactions as specified in Regulation 23 of the Listing Regulations and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Shareholders of the Company, as the case may be.

5.8 In the event that the Company becomes aware of the RPT that has not been approved under this Policy prior to its consummation, the Company shall obtain post facto approval from the Audit committee, the Board and/or the shareholders as required under the applicable laws/Regulations. In case the company is not able to take such prior approval, such a transaction shall not be deemed to violate this policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

6. Disclosure

The Related Party Transactions shall be disclosed in the Company's applicable filings as required by the Companies Act, 2013 and SEBI LODR and the said Policy shall be disclosed on Company's website and in the Annual Report as prescribed.

NOTE: RPT Policy amended up to 23 December 2022.