



# INTER STATE OIL CARRIER LIMITED

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CIN-L15142WB1984PLC037472

## **POLICY ON TRANSACTIONS WITH RELATED PARTIES**

### **➤ PREAMBLE**

This Policy has been framed to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company including Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations], as amended from time to time.

### **➤ DEFINITION**

The words and expressions used in this Policy, shall have the same meaning as defined in the Companies Act, 2013 (the Act) and Rules framed thereunder (the Rules), SEBI LODR Regulations or any other applicable law or regulation, as amended from time to time. For the sake of brevity, they have not been reproduced herein.

### **➤ APPROVAL/RATIFICATION OF RELATED PARTY TRANSACTIONS:**

- The Company will obtain prior approval from the Audit Committee before entering into any transaction with related parties.
- Any subsequent material modification to transaction with related parties shall also require prior approval from the Audit Committee.
- The Audit Committee may ratify related party transactions within three months from the date of the transaction or at the immediate next meeting of the Audit Committee, whichever shall be earlier, subject to the conditions specified in Regulation 23 of SEBI LODR Regulations.
- For all Related Party Transaction which are not in the ordinary course of business or at arm's length prices, the Company shall comply with the provisions of the Companies Act, 2013 and rules framed there under and obtain prior approval of the Board or its shareholders, as applicable, for such transaction.

### **➤ OMNIBUS APPROVAL:**

- Audit Committee shall grant omnibus approval for transactions of repetitive nature specifying names of the related parties, nature of transaction, estimated amount of transaction etc, on such conditions as the Audit Committee may deem fit and desirable.

- Omnibus approval shall be valid for a period not exceeding one year and requiring fresh approval on expiry thereof.
- On a quarterly basis, the Audit Committee shall review transactions undertaken with related parties vis-à-vis omnibus approval granted earlier and approve modification, if any, in said omnibus approval.

#### ➤ **APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY**

As per Section 188 of the Act, all related party transactions not in the ordinary course of business or not at arm's length must be approved by the Board. In addition, the following transactions are also placed before the Board for approval:

- Transactions that are in the ordinary course of business and at arm's length, but exceed value thresholds or meet parameters set by the Board policy;
- Transactions where the Audit Committee cannot determine if they are in the ordinary course or at arm's length and refers them to the Board;
- Transactions that meet ordinary course and arm's length criteria but are deemed by the Audit Committee to require Board approval;
- Material transactions, as defined in the Policy, intended for shareholder approval.

#### ➤ **MATERIAL RELATED PARTY TRANSACTIONS:**

- All material related party transactions and subsequent material modifications to such transactions shall be subject to prior approval of the shareholder wherein related parties will not vote.
- A transaction shall be considered 'material' if its value, either individually or combined with previous transactions with the same related party during a financial year, exceeds 10% of the Company's annual consolidated turnover based on the last audited financial statements or ₹1,000 crore, whichever is lower.
- Transactions involving payments to a party for brand usage or royalty will be considered material if their value, either individually or combined with previous transactions during a financial year, exceeds 5% of the Company's annual consolidated turnover based on the last audited financial statements.

#### ➤ **APPROVAL OF THE SHAREHOLDERS OF THE COMPANY**

All RPTs exceeding the materiality thresholds defined in the Policy are placed before shareholders for approval. All related parties are excluded from voting, regardless of their involvement in the transaction.

Additionally, transactions under Section 188 of the Act that:  
(a) are not at arm's length or not in the ordinary course of business, and

(b) exceed the thresholds prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014, also require shareholders' approval.

**Exemption:**

Shareholders' approval is not required for transactions with wholly owned subsidiaries whose accounts are consolidated with the company and presented at the general meeting.

**Disclosure in Shareholder Notice:**

The explanatory statement must include:

- a) Summary of information reviewed by the Audit Committee;
- b) Justification for the transaction's benefit to the company;
- c) Details of loans, advances, deposits, or investments involved (if any);
- d) Statement on availability of any valuation/external report to shareholders via registered email;
- e) Percentage of the counterparty's consolidated turnover represented by the transaction (voluntary);
- f) Any other relevant information.

➤ **SUBSIDIARY TRANSACTIONS APPROVAL:**

For transactions involving subsidiaries of a listed entity where the listed entity is not a party, Audit Committee approval shall be required if the transaction value either individually or combined with previous transactions during a financial year exceeds 10% of the subsidiary's annual standalone turnover, as per the last audited financial statements of the subsidiary.

- The Audit Committee may also grant omnibus approval for related party transactions proposed to be entered into by the Company's subsidiaries and shall review these transactions quarterly in accordance with SEBI LODR Regulations.

➤ **LOAN AND GUARANTEE RESTRICTIONS:**

- Ordinarily no loan, advance, or guarantee directly or indirectly shall be given by the Company to any director, director of the holding company, or any partner or relative of such director, and anybody corporate in which the director or their relatives are interested and if any given,

will be strictly following conditions laid down in the Companies Act, 2013 and Rules framed thereunder.

- The Company shall also not directly or indirectly give loans or give any guarantees or securities in connection with loans to any person or body corporate excepting wholly owned subsidiaries and Joint Venture Companies, exceeding limits prescribed in the Companies Act, 2013 and Rules framed thereunder.

#### ➤ **DISCLOSURE AND REPORTING REQUIREMENTS:**

- Contracts or arrangements that are not at arm's length or in the ordinary course of business must be disclosed in the Board's report, along with justifications for entering such contracts or arrangements.
- The Company will maintain a register of such contracts and disclose related party transactions in its annual report, as well as material related party transactions in the corporate governance report.
- The Company shall submit disclosure relating to Related Party Transactions to the stock exchanges in stipulated timelines, in the format specified by SEBI and also publish the same on its website.

#### ➤ **LIMITATION, REVIEW AND AMENDMENT**

In case of any conflict between this Policy and applicable laws (including the Act or Listing Regulations), the provisions of the applicable laws shall prevail. Any subsequent amendments to such laws shall automatically apply to this Policy.

The Board shall review this Policy periodically, at least once every three years, and may amend it as necessary, including based on Audit Committee recommendations.

#### ➤ **POLICY REVIEW**

In case of any subsequent changes in the provisions of the Act or SEBI LODR Regulations or any other regulations which makes any of the provisions in this policy inconsistent with the Act and/or Regulations, the provisions of the Act and/or Regulations will prevail over the Policy and the provisions in this policy will be modified in due course to make it consistent with the Act and/or Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Act and/or Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that

this Policy shall be reviewed by the Board at least once every three years and updated accordingly.

This Policy has been last amended as per the recommendations of the Audit Committee in its meeting held on **24<sup>th</sup> May, 2025** and approved by the Board of Directors at its meeting also held on **24<sup>th</sup> May, 2025**.