



Policy of The Great Eastern Shipping Company Limited for dealing with Related Party Transactions.

a) This Policy is made pursuant to the requirements of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Definitions:

- (1) **'Related Party'** with reference to the Company shall mean and include a related party as defined under:
 - i) Section 2(76) of the Companies Act, 2013; and
 - iii) Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (2) A **'Related Party Transaction' (RPT)** shall mean and include following transactions with Related Parties:
 - i) any contract or arrangement as defined under Section 188(1) of the Companies Act, 2013; and
 - ii) as defined under Regulation 2(1)(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (3) A transaction with a Related Party shall be considered **'Material' (Material RPT)** 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 Company as per the last audited financial statements of the Company, whichever is lower.



However, the transaction(s) with related parties which involve payments 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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- (4) **'Material Modification'** to a Related Party Transaction (RPT) shall mean and include any modification in the transaction which results in:
- a) Change in parties to the transaction; or
 - b) Change in underlying commercial obligation / value of the contract by more than 25% of the original value of the contract; or
 - c) Change in period of the contract by more than 25% of the original period of the contract; or
 - e) Any other modification, which the Audit Committee may, at its sole discretion, declare as 'material modification'.

c) Arm's length principle:

All RPTs are generally entered into by the Company on an arm's length basis, i.e. as if the parties were unrelated, so that there is no conflict of interest.

d) Prior approval of Audit Committee:

- (1) All RPTs of the Company or any subsequent material modifications thereof shall require prior approval of the Audit Committee as per the applicable requirements of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be.



- (2) All RPTs of the subsidiaries of the Company exceeding the threshold specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall require prior approval of the Audit Committee of the Company.
- (3) In case of RPTs ******(of the Company or its subsidiaries) which are repetitive in nature, the Audit Committee may grant omnibus approval.

Such omnibus approval may specify:

- (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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.

While granting such omnibus approvals, the Audit Committee may specify that the omnibus approval shall be valid for a period not exceeding one year or such other period as it may deem fit. Fresh approval of the Audit Committee shall be required after the expiry of the said period.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction or such other amount as the Audit Committee may deem fit.

***added w.e.f. January 28, 2025*



- (4) Further criteria for granting omnibus approval by Audit Committee are as follows:
- (a) Maximum value of the related party transactions, in aggregate, should not exceed Rs. 100 crore in a financial year under the omnibus route;
 - (b) Maximum value per related party transaction should not exceed Rs. 10 crore under the omnibus route.
 - (c) Omnibus approval shall not be granted for:
 - (i) transactions in respect of selling or disposing off of the undertaking of the Company;
 - (ii) transactions which require Board/Shareholders approval as per the requirements of the Companies Act, 2013 or SEBI regulations.
- ** (5) The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiaries pursuant to each of the omnibus approvals given.
- ** (6) The 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) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - (ii) the transaction is not a Material RPT
 - (iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;

**added w.e.f. January 28, 2025



- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (7) However, no such approval of the Audit Committee shall be required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in case of RPTs between:
- a) the Company and its wholly owned subsidiaries.
 - b) two wholly owned subsidiaries of the Company.

** (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 unless the same is not material in terms of the provisions of Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

e) Prior approval of the Board of Directors

All RPTs within the meaning of the Section 188 shall require prior consent of the Board of Directors given by way of a resolution passed at a meeting of the Board.

While giving such prior consent, the Board of Directors may specify such conditions as it may deem fit.

However, no such approval of the Board of Directors shall be required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

**added w.e.f. January 28, 2025



f) Approval of RPTs by shareholders

- (1) All RPTs within the meaning of Section 188 of the Companies Act, 2013 exceeding threshold specified therein, shall require prior approval of the shareholders of the Company by a resolution.

However, no such approval of the shareholders is required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis; or in case of RPTs between the Company and its wholly owned subsidiaries.

- (2) All Material RPTs of the Company and its subsidiaries and subsequent Material Modifications thereof within the meaning of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall require prior approval of the shareholders of the Company by a resolution.

However, approval of the shareholders of the Company shall not be required in case of Material RPTs between:

- c) the Company and its wholly owned subsidiaries.
 - d) two wholly owned subsidiaries of the Company.
- (3) Restrictions on voting by Related Parties as per applicable provisions of the Companies Act, 2013 and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be observed by the respective Related Parties.



g) Disclosure requirements

- (1) All RPTs entered into by the ******(Company and its subsidiaries) shall be placed before Audit Committee on a quarterly basis for its review.
- (2) Details of all Material RPTs shall be disclosed to the Stock Exchanges quarterly along with the compliance report on corporate governance.
- (3) Disclosures of related party transactions on half yearly basis in the format as specified by SEBI from time to time shall be submitted to the stock exchanges and shall also be published on the website of the Company.
- (4) Disclosures in compliance with the applicable Accounting Standards on RPTs and other applicable disclosures shall be made by the Company in its Annual Report.
- (6) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- (7) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be entered into the register required to be kept under Section 189 of the Companies Act, 2013.

***added w.e.f. January 28, 2025*

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- h) Any subsequent amendment / modification in the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent.
- i) This Policy will be reviewed by the Board of Directors as and when required but atleast once in three years.
- j) This Policy has been adopted by the Board of Directors of the Company at its meetings held on November 14-16, 2014, May 05, 2016, February 11, 2019, January 28, 2022 and January 28, 2025.

For the Great Eastern Shipping Company Limited

Anand Punde

Company Secretary