

TRANSWORLD SHIPPING LINES LIMITED (FORMERLY KNOWN AS SHREYAS SHIPPING AND LOGISTICS LIMITED)

POLICY ON RELATED PARTY TRANSACTIONS

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1. PREAMBLE:

This Policy deals with Materiality of Related Party Transactions and dealing with the Related Party Transactions in terms of the Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**SEBI LODR**) and the Companies Act, 2013. The Board of Directors of the Company ("**Board**"), basis the recommendation of the Audit Committee ("**Committee**"), has approved the following policy and procedures for reviewing, approving and ratifying Related Party transactions and in providing disclosures with respect to the related party transactions in order to ensure the transparency as well as substantive and procedural fairness of such transactions.

This Policy is amended in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 to further amend the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI LODR**") with effect from 12th December 2024.

2. DEFINITIONS:

- a) "**Arm's Length Transaction**" means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- b) "**Audit Committee/Committee**" means committee of Board of Directors of the Company constituted in accordance with the provision of SEBI LODR and Companies Act, 2013.
- c) "**Board**" means Board of Directors of the Company.
- d) "**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013.

- e) **“Policy”** means Related Party Transaction Policy.
- f) **“Related Party”** means a related party as defined under Regulation 2(1)(zb) of SEBI LODR, Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards, read with amendments issued from time to time.
- g) **“Related Party Transaction”** means a related party transaction as defined under Regulation 2(1)(zc) of the SEBI LODR and Section 188 of the Companies Act, 2013, read with amendments issued from time to time.
- h) **“Material Modification”** means any change in the value of transaction exceeding 30% of the value of the original transaction with the related party already approved by the Audit Committee / Board / Shareholder.
- i) **“Material Related Party Transaction”** means a material transaction with a Related Party as provided in the explanation under Regulation 23 of the SEBI LODR which read as under:
 - i. Regulation 23(1) inter-alia provides that 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 (Rupees One Thousand Crore) or 10% (Ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.
 - ii. Regulation 23(1A) inter-alia provides that 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% (five percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.
- j) **“Senior Management”** as defined under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) 2015 and as provided under the Companies Act, 2013 as may be amended from time to time.
- k) **“Relative”** with reference to a director or a Key Managerial Personnel means persons defined under Section 2(77) of the Companies Act read with amendments issued from time to time.
- l) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR as amended from time to time or any other applicable law or regulation.

3. MATERIALITY THRESHOLDS:

The Board has, in accordance with the SEBI LODR, determined that a transaction with a related party shall be considered as material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceeds:

- a) INR 1000 Crore (Rupees one thousand crore) or 10% (ten per cent) of the annual consolidated turnover as per the last audited financial statements, whichever is lower.
- b) 5% (five percent) of annual consolidated turnover as per the last audited financial statements in case of a transaction involving payment with respect to brand usage or royalty.

The above threshold limit shall be reviewed by the Board every three years or as per any amendments prescribed under the Companies Act, 2013 or SEBI LODR as the case may be.

4. IDENTIFICATION OF RELATED PARTIES:

- a) Related parties shall be identified under the Companies Act, 2013 and the SEBI LODR, as amended from time to time.
- b) The Compliance Officer / Team shall request information that may be required for inclusion in the list of Related Parties from all the Directors and Key Managerial Personnel of the Company.
- c) Each Director and Key Managerial Personnel of the Company shall be required to inform the Compliance Officer of the Company of any change in the information previously provided on the list of Related Parties of the Company in form MBP-1 including declarations as under:
 - i) Declaration of list of relatives
 - ii) Declaration about a firm in which a Director or his relative is a partner.
 - iii) Declaration about a private Company in which a Director or his relative is a member or director.
 - iv) Declaration regarding a public company in which a Director is a Director and holds along with his relatives more than 2% of the paid-up share capital.
 - v) Declaration by Holding Company regarding its Directors/ KMPs' and their relatives.
 - vi) Details of any Body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director of the Company.
 - vii) Details of any person on whose advice, directions or instructions a director is accustomed to act:

Provided that nothing in point no. vi and vii shall apply to the advice, directions or instructions given in a professional capacity.

viii) Details of any Company which is:

- holding, subsidiary or an associate company of such company; or
- a subsidiary of a holding company to which it is also a subsidiary.
- an investing company or the venturer of the company.

Explanation—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- d) Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him / her or his / her relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request.

5. CIRCULATING OF ABOVE LIST OF RELATED PARTIES:

The list of Related Parties shall be circulated to MD/CFO/ Finance & Accounts Department/ Operations Department, Statutory Auditor and Internal Auditor.

6. APPROVALS FOR TRANSACTIONS WITH RELATED PARTIES:

- a) Before undertaking any transaction, it must be examined by the Company whether such transaction qualifies as a Related Party Transaction, requiring compliance with this Policy. The CFO and Company Secretary shall jointly/severally evaluate the applicability based on the details of the proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length/not arm's length basis in an ordinary/not ordinary course of business and shall determine whether a transaction does, in fact, constitute a Related Party Transaction and if so, seek approval provided in clause c, d, e & f as may be necessary.
- b) Transactions with wholly owned subsidiaries and between wholly owned subsidiaries are exempt for all approvals provided they are in ordinary course of business and at arm's length.

c) Approval of the Audit Committee:

- i) All related party transactions and subsequent material modifications shall require prior approval of Audit Committee in terms of Regulation 23 (2) of the SEBI LODR.
- ii) The related party transactions shall only be approved by the members of the Audit Committee who are Independent Directors.
- iii) Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its Subsidiary subject to the following conditions, namely-
 - the Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
 - the omnibus approval shall specify:
 - the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - the indicative base price / current contracted price and the formula for variation in the price if any; and
 - 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.

- vi) the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its Subsidiary pursuant to each of the omnibus approvals given.
- vii) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- viii) In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy provided the same do not deviate from any regulatory requirements.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from any discussions or voting on such proposals.

d. Ratification of Related Party Transactions by the Audit Committee:

The members of the Audit Committee, who are Independent Directors may ratify a related party transaction within three months from the transaction date or at the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- I. The value of the transaction, whether entered into individually or taken together during a financial year, does not exceed Rupees one crore.
- II. The transaction is not material under SEBI LODR Regulation 23 (1).
- 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 SEBI LODR Regulation 23 (9).
- V. any other condition as specified by the Audit Committee.

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 listed entity against any loss incurred by it.

e. Approval of the Board:

- i) The Board shall approve such Related Party Transactions as are required to be approved under Act and/or SEBI LODR and/or transactions referred to it by the Audit Committee. All related party transactions which are not in the Ordinary course of business or not at Arm's Length price such transactions will be put up for prior approval of the Board.
- ii) In addition to the above, the following kinds of transactions with related parties shall also be placed before the Board for its approval:
 - a. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
 - b. Material Related Party Transactions as well as Related Party Transactions requiring shareholders approval under Section 188 of the Companies Act, 2013 and Rules made

thereunder, which are intended to be placed before the shareholders for approval.

- iii) Any member of the Board who has any interest in any Related Party Transaction will recuse himself / herself and abstain from discussion and voting on the approval of the Related Party Transaction.

f. Approval of the Shareholders:

- i) All related party transactions which are material in nature as defined by SEBI LODR and/or Companies Act, 2013 and subsequent material modifications thereof shall be placed for prior approval of the shareholders in terms of Regulation 23(4) of the SEBI LODR.
- ii) Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Companies Act, 2013 (as amended from time to time) shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Companies Act, 2013 and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

- iii) any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.
- iv) In case the shareholders decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or recession of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

7. EXEMPTED TRANSACTIONS:

- i) In respect of exempted transactions as specified under section 188 of the Companies Act, 2013 and read along with the rules made thereunder the SEBI LODR Regulation 23 (5) and any other applicable laws, approval of the Audit Committee or Board or the Shareholders shall not be required.
- ii) the Related Party Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval, shall not require approval of the audit committee, board or shareholders.

Provided further that the provisions pertaining to:

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of audit committee, board or shareholders for Material Related Party Transactions and subsequent Material Modifications.

shall not be applicable when the transactions are entered into 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.

iii) Transactions which do not require approval:

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 including following:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - payment of dividend;
 - subdivision or consolidation of securities;
 - issuance of securities by way of a rights issue or a bonus issue; and
 - buy-back of securities.
- c) retail purchases from the Company or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.
- d) The 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 provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

8. DISCLOSURE AND REPORTING:

- a. Details of the Related Party Transactions entered during the quarter by the Company or its Subsidiary shall be disclosed in the Audit Committee and Board meeting of the Company.
- b. The Company shall submit to the stock exchange disclosure of related party transactions in the format specified by SEBI from time to time and publish the same on its website.
- c. In case the Company has issued high value debt securities then it shall submit such disclosure along with its standalone financial results for the half year.
- d. The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by SEBI from time to time, and publish the same on its website. The Company shall make such (RPT) disclosures every six months on the date of publication of its standalone and consolidated financial results.
- e. Director's report shall contain details of Related Party Transactions as required under the Companies Act, 2013.
- f. The Annual Report shall contain details of Related Party Transactions as required under the Companies Act, 2013 and Schedule V of SEBI LODR Regulation.
- g. Disclosures with respect to Related Party Transactions shall be made as per applicable provisions of the Companies Act, 2013 and/or SEBI LODR Regulation.

Provided further that the 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 disclosure under this sub-regulation provided that the same is not material in terms of the SEBI LODR Regulation 23(1).

9. REGISTERS & RECORDS:

The Company shall keep and maintain the Register of contracts or arrangements in which Directors are interested as required under the Companies Act, 2013. The register shall be preserved permanently and shall be kept in the custody of the Company Secretary/Chief Financial Officer of the Company or any other person authorized by the Board for the purpose.

10. CONSEQUENCES OF NON-COMPLIANCE:

Any Director or Employee of the Company who enters into or authorises any contract or arrangement in violation of this Policy, the Companies Act, 2013, SEBI LODR or any other applicable law or regulation may be subject to such disciplinary proceedings as the Board members may deem fit in addition to the penal consequences as prescribed by the law from time to time.

11. REVIEW AND AMENDMENTS:

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

The policy shall be reviewed by the Board of Directors at least once every three years including threshold limits specified therein and updated accordingly. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated there under and SEBI LODR and must be approved in the manner as may be decided by the Board of Directors.

Any subsequent amendment / modification in SEBI LODR, Act and/or applicable laws in this regard shall automatically apply to this Policy.
