



DOLPHIN OFFSHORE
ENTERPRISES (INDIA) LIMITED

POLICY ON RELATED PARTY TRANSACTIONS



POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Board of Directors (the "Board") of Dolphin Offshore Enterprises (India) Limited (the "Company"), has adopted this policy and procedure with regard to Related Party Transactions. This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws and regulations as may be amended from time to time. The Audit Committee will review and amend this policy from time to time.

2. SCOPE

The policy is not only to be in the best interests of its Stakeholders but also in due compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time with respect to Related Party and Related Party Transaction and also to comply with the provisions of Section 188 of the Companies Act, 2013 read with applicable Rules. The objective of this Policy is to set out the materiality thresholds for Related Party Transactions and the manner of dealing with the transactions between the Company and its Related Parties.

The Policy applies to the transactions between the Company and one or more Related Parties. It provides framework for governance and reporting of Related Party Transactions, including material Related Party Transactions and subsequent material modifications.

3. DEFINITIONS

In this Policy, unless the context otherwise requires:

- (a) "**Act**" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars, notification, orders to remove difficulties or re-enactment thereof time to time.
- (b) "**SEBI Listing Regulations**" means SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended time to time.
- (c) "**Arm's length basis**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determination of Arm's length basis, guidance may be taken from provisions of Domestic Transfer Pricing under Income Tax Act, 1961 for dealing with any related parties in India and International Transfer Pricing guidelines for dealing with any related parties, where such related party is situated outside India.



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- (d) **“Audit Committee or Committee”** means the Committee of Board constituted by the Board of Directors of the Company under the provisions of SEBI Listing Regulations and Act from time to time.
- (e) **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.
- (f) **“Key Managerial Personnel”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.
- (g) **“Material Related Party Transaction”** means transaction/ transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds the following thresholds:
- i. In case of transaction(s), if the amount exceeds 1000 (One Thousand Crore) or 10% (ten percent) of the Annual Consolidated Turnover of the Company as per its last Audited Financial Statements of the Company; whichever is lower.
 - ii. In case of transaction(s) involving payments made with respect to brand usage or royalty, if it exceeds 5% of the Annual Consolidated Turnover of the Company as per its last Audited Financial Statements;
- (h) **“Material Modification”** means any subsequent modification/change in the pricing, quantity or value of transaction of related party transaction with a variance of 50% or more in the relevant previously approved related party transaction.
- (i) **“Policy”** means Related Transaction Policy of the Company including amendments, if any, from time to time.
- (j) **“Relative”** means a relative as defined under Section 2(77) of the Act and the rules framed thereunder or under the applicable accounting standards.
- (k) **“Related Party”** means such entity or individuals as defined as related party under Section 2(76) of the Act and the rules framed thereunder and Regulation 2(1)(zb) of SEBI Listing Regulations as amended from time to time or such entity is a related party under the applicable accounting standards.
- (l) **“Related Party Transaction(s) (RPTs)”** means any transaction as defined under the Act, Rules made thereunder and Regulation 2(1)(zc) of SEBI Listing Regulations and any amendment or modifications thereof from time to time
- (m) **“Transaction”** with a Related Party shall be construed to include single transaction or a group of transactions in a contract.



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Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act, SEBI Listing Regulations or any other applicable law or regulation and as amended from time to time.

4. POLICY AND PROCEDURE

– Policy

All Related Party Transactions and subsequent material modification where the company or its subsidiary is a party to such transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

– Procedure

a. Identification of Related Party Transactions:

Every Director shall at the beginning of the financial year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of relatives which are regarded as Related Party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during financial year which may be regarded as related party according to this policy.

The Company will identify potential transactions with Related Party based on written notice of concerns or interests received from its Directors or Key Managerial Personnel in the manner prescribed in the Companies Act, 2013 and the rules made thereunder and any amendments or modifications thereto.

b. Review and approval of Related Party Transaction

➤ Audit Committee

- Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or through electronic mode.
- Further, the Independent Directors who are members of Audit Committee shall approve the Related Party Transactions.
- Prior approval of Audit Committee shall be required for
 - a) A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into



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individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual consolidated turnover, as per the last audited financial statements of the Company;

- b) With effect from April 1, 2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten per cent) of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
- c) Further prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (c) above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

- The Audit Committee shall review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the conditions contained in SEBI Listing Regulations as amended from time to time.
- The Committee shall also specify itself the need for such omnibus approval and that such approval is in the interest of the Company.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

- The Audit Committee shall also review the statement of significant Related Party Transactions submitted by Management as per its terms of reference.
- Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.
- To review a Related Party Transaction, the Committee shall be provided with the necessary information as prescribed under the Companies Act, 2013 and/or the SEBI Listing Regulations, from time to time, to the extent relevant, with respect to actual or potential Related Party Transactions.



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- The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.

➤ Approval of the Board of Directors of the Company

- As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, has to be placed before the Board for its prior approval.
- In addition to the above, if the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under the Act or any law for Board to approve the Related Party Transaction then the Board shall consider and approve it and the consideration set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

➤ Approval of the Shareholders of the Company

- All the Material Related Party Transaction and subsequent material modifications shall require prior approval of the Board and Shareholders through resolution and no Related Party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.
Provided that Prior approval of the Shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.
- In addition to above, all kind of transaction specified under Section 188 of the Act which (a) are not on an arm's length basis or not in the ordinary course of business; and (b) exceed the limits as prescribed under the Act or under Companies (Meetings of Board and its Powers) Rules, 2014 shall require prior approval of the Shareholders through resolution and no person/entity which is a Related Party in terms of the Act shall vote to approve such transaction.
- However, the requirement of shareholders' approval for Material Related Party Transactions and subsequent material modifications shall not be applicable for the following cases:
 - (a) transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed



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to recognized stock exchange within one day of the resolution plan being approved.

(b) transactions entered into between the company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

(c) transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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.

5. 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.
- The issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding: -
 - i. payment of dividend
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- Acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:
Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange.

6. DISCLOSURES

- The Company shall disclose, in the Board's report, transactions prescribed in Section 188 of the Act with Related Parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.



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- Details of all material transactions with Related Parties shall be disclosed quarterly along with the compliance report on Corporate Governance. Material Related Party transactions shall be provided in the notice to shareholders.
- The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.
The Company shall make disclosures to the stock exchanges every 6 (Six) months in the format specified by the SEBI from time to time with the following timelines and publish the same on its website:
 - i. within 15 (Fifteen) days from the date of publication of its standalone and consolidated financial results;
 - ii. with effect from April 1, 2023, simultaneously on date of publication of its standalone and consolidated financial results;

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders, as may be required in accordance with this Policy for review and ratification. The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee or Board deems appropriate under the circumstances.

8. REVIEW OF POLICY

This Policy is framed based on the provisions of Companies Act, 2013 and rules framed thereunder and the requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

In case of any subsequent changes in the provisions of the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other regulations (“the Regulations”) which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the 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 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. The policy shall



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be reviewed by the Board of Directors at least once every three years and updated accordingly.
