

Insilco Limited

(Under Voluntary Liquidation)

CIN – L34102UP1988PLC010141

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RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the “Board”) of Insilco Limited (the “Company” or “Insilco”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as ‘Listing Regulations’). It is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties in accordance with provisions of Companies Act, 2013 and Listing Regulations or any other law for the time being in force. Such transactions are appropriate only if they are in the interest of the Company and its shareholders.

3. Definitions

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as per Companies Act, 2013.

“**Key Managerial Personnel**”: As defined under the provisions of the Companies Act, 2013, as may be amended from time to time.

“**Material Related Party Transaction**” means a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial

year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

“Material Modifications” means any material variance in the existing limit of any transaction with the related party.

“Policy” means Related Party Transaction Policy.

“Related Party” - An entity shall be considered as related to the company if:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting standards.

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the Company; or
- (b) any person or any entity holding equity shares of ten per cent or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;

shall be deemed to be a related party.

“Related Party Transaction” A Related Party transaction means a transaction involving a transfer of resources, services or obligations between:

- (i) Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries;

regardless of whether a price is charged.

Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

“Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if -

- i. They are members of a Hindu undivided family ;
- ii. They are husband and wife ; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)

- vi. Son's wife
- vii. Daughter
- viii. Daughter's husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

4. Policy

All Related Party Transactions and subsequent material modifications, entered after implementation of this policy, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

Related Party Transactions and subsequent material modifications proposed to be entered into by the company are subject to the following conditions:

- a. All Related Party Transactions shall require prior approval of Audit Committee, only those members of the audit committee, who are independent directors, shall approve related party transactions. However, considering that the company is currently undergoing liquidation and it is not undertaking any operations, the Audit Committee may grant omnibus approval only for those Related Party Transaction which cannot be foreseen and where the details such as (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; are not available, subject to their value not exceeding Rs.1 crore per transaction during F.Y. 2024-25.
- b. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company.
- c. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company
- d. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- e. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

5. **Approval matrix/threshold for approval of related party transactions**

Except for the related party transactions for which omnibus approval is granted by the Audit Committee, the following provisions shall be applicable:

- a. For transaction at arm's length and in the ordinary course of business (not material related party transaction):
 - Prior approval of Audit Committee will be required
- b. For transaction at arm's length and in the ordinary course of business (material related party transaction and subsequent material modifications):
 - Prior approval of Audit Committee will be required.
 - Prior approval of the Board will be required.
 - Approval of Shareholders will be required *.
- c. For transaction which are not at arm's length and/or not in the ordinary course of business
 - Prior approval of Audit Committee will be required.
 - Prior approval of the Board will be required.
 - Approval of Shareholders will be required *.

* No related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

6. **Review and Approval of Related Party Transactions**

Related Party Transactions will be referred regularly to scheduled meeting of Audit Committee for quarterly review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement and will also abstain from voting on such resolutions.

7. **Approvals of Past Contracts with related Parties**

Pursuant to clarification provided in circular No.30/2014 dated 17th July, 2014 of Ministry of Corporate Affairs, Contracts entered into by companies, after making necessary compliances under Section 297 of the Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Companies Act, 2013, will not require fresh approval under the said section 188 till the expiry of the original term of such contracts. Thus, if any modification

in such contract is made on or after 1st April 2014, the requirements under section 188 will have to be complied with.

8. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation or as may be required pursuant to applicable provisions, the matter shall be reviewed by the Committee and it shall take any such action it deems appropriate.

9. This policy is in conformity with the provisions of the Companies Act, 2013 and Listing Regulation. However, if due to subsequent changes in the Act or otherwise, a particular clause or any part of this policy becomes inconsistent with the Act/Listing Regulations, the provisions of the Act / Listing Regulations shall prevail.
10. This policy shall be shall be reviewed by the Board of Director of the Company at least once every three years and updated accordingly.

For Insilco Limited
(Under Voluntary Liquidation)

Sd/-

Vinod Paremal
Managing Director

Date : 14th May 2024