



RELATED PARTY TRANSACTIONS

Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions

Adopted on	: 13.02.2015
1 st amendment on	: 11.08.2018
2 nd amendment on	: 16.03.2022

1. BACKGROUND

Indian Oil Corporation Limited “(the “Company” or “IndianOil”) had formulated a Policy on “Materiality of related party transactions and on dealing with related party transactions” as per the provisions of the Companies Act, 2013 & rules notified thereunder (“Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) as amended from time to time.

2. PURPOSE

This policy provides for “Materiality of Related Party Transactions” and “Dealing with Related Party Transactions”.

3. DEFINITIONS

3.1 **“Arm’s length transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

3.2 **“Material Related Party Transaction”**

- 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 Rs. 1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
- 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% of the annual consolidated turnover of the Company as per the last audited financial statements.

3.3 **“Material Modification”**

Material modification to a Related Party Transaction (RPT) shall mean any change in the terms of the transaction which results in change in the value of transaction by 25% or more than the approved value of the transaction.

Provided that change in the value of RPT on account of following shall not be considered as Material Modification:

- Change in quantity or rate of the existing RPT due to the reasons beyond the control of the Related Parties
- Change due to revision / imposition of statutory levies like taxes, duties, etc.

3.4 **“Ordinary Course of business”** includes, but not limited to, activities that are necessary, normal, and incidental to the business.

3.5 **“Related Party”** (RP) and **“Related Party Transactions”** (RPT) would have the same meaning as defined under the Act or SEBI LODR or the applicable Accounting Standards.

4. IMPLEMENTATION PROCEDURE

4.1 All RPT's and Material Modification to RPT's shall be in compliance with the provisions of the Act, SEBI LODR, and applicable accounting standards, as amended from time to time, and shall inter-alia include the following:

- Approval of Audit Committee for RPT's and Material Modification to RPT's, if any; omnibus approval for repetitive transactions and review thereof on quarterly basis.
- Approval of Board of Directors for RPT's that is not in the ordinary course of business or not on arm's length basis.
- Approval of Shareholders for Material RPT's and Material Modification thereto, if any.

5. AMENDMENT

Any amendment / modification in the Act or SEBI LODR or any other governing act shall suo moto apply to this policy.

6. REVIEW

The “Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions” shall be reviewed by the Board once in every three years and updated accordingly.

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