

**POLICY ON RELATED PARTY TRANSACTIONS**  
**OF**  
**SHREEJI TRANSLOGISTICS LIMITED**

**1. SCOPE AND PURPOSE OF THE POLICY**

Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI LODR”), Shreeji Translogistics Limited (“the Company”) has formulated guidelines for identification of Related Parties and the proper conduct and documentation of all Related Party Transactions (“RPTs”).

Also, Regulation 23(1) of the SEBI LODR requires a company to formulate a policy on materiality of Related Party Transactions and dealing with RPTs. The said policy is required to include clear threshold limits approved by the Board.

In light of the above, the Company has framed this Policy on Related Party Transactions (“the Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee of Directors. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board. In addition to the above, this Policy shall be reviewed by the Board of Directors at least once in three years.

**2. OBJECTIVE OF THE POLICY**

The objective of this Policy is to set out:

- (a) the materiality thresholds and material modifications for RPTs and;
- (b) the manner of dealing with the transactions between the Company and its Related Parties based on the Act, SEBI LODR and any other statute as may be applicable to the Company.

**3. MATERIALITY THRESHOLDS AND MATERIAL MODIFICATIONS**

The policy on materiality of Related Party Transactions is as stated in Annexure-1.

#### **4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS**

##### **a) Identification of Related Parties**

The Company shall identify Related Parties as per the definition provided in the applicable laws, including the Act and the SEBI LODR, as amended from time to time.

The Company shall regularly verify and update the Related Party List and review and confirm (at least half-yearly) in accordance with the applicable laws as prevalent.

##### **b) Identification of Related Party Transactions**

As a policy, the Company will identify the transactions falling under contracts and arrangements, as per the applicable laws, entered into with Related Parties for the consent of the Audit Committee, Board of Directors and Shareholders, as may be applicable. Any other RPT identified during the periodic review, not covered under any specific broad category shall be independently reviewed, approved and included for conformance as a part of Related Party Policy mechanism.

The Company shall report the transactions of aforementioned category entered into with Related Parties identified as per Clause 4(a) of this Policy, and put the same for necessary approvals required as per the applicable law.

##### **c) Procedure for approval of Related Party Transactions**

- Approval of the Audit Committee

All Related Party Transactions require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and SEBI LODR including the following:

- 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 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 Company;
- The omnibus approval shall specify :

- (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
- (ii) the indicative base price / current contracted price and the formula for variation in the price if any,
- (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for RPT cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction;

- The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given;
- Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of such financial year.

For each category of transaction identified as per the Clause 4(b) of this Policy, the Company has framed specific Framework and Guidelines explaining the arm's length criteria to be followed by the Company while entering into transactions falling under contracts and agreements with Related Parties identified as per Clause 4(a) of this Policy. The Company, while entering into RPTs will ensure adherence with the Framework and Guidelines and will maintain necessary documents for the same.

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;
- Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;

- Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
  - market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
  - third party comparables, valuation reports, price publications including stock exchange and commodity market quotations;
  - management assessment of pricing terms and business justification for the proposed transaction;
  - comparative analysis, if any, of other such transaction entered into by the company.

In case of transactions, other than transactions referred to in Section 188 of the Act and where the Audit Committee does not approve any transaction, it shall make its recommendation to the Board.

Approval or subsequent modification of a transaction (other than those transactions stipulated under Section 188 of the Act) with the Company's wholly owned subsidiaries, shall not require approval of the Audit Committee.

- 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, which are not in the ordinary course of business or at arm's length basis, shall be placed before the Board for its approval. Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether a Related Party Transaction is in the Ordinary Course of Business and/ or at Arms' Length.

In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the Policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- 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;

- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view require Board approval.
- Transactions meeting the materiality thresholds laid down under Clause 3 of the Policy, which are intended to be placed before the shareholders for approval.

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution related to such contract or arrangement.

- Approval of the Shareholders of the Company

All the transactions with Related Parties which exceed the materiality thresholds, as laid down in Annexure-1, shall be placed before the shareholders for approval.

Further, all the subsequent Material Modifications to RPTs, as defined in Annexure-1, shall also require shareholders' approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or are not at arm's length basis; and (b) exceed the thresholds laid down in the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, shall be placed before the shareholders for approval.

For this purpose, no Related Party shall vote to approve such resolutions irrespective of whether the entity is a Related Party to the particular transaction or not.

However, the requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly-owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

## **5. ORDINARY COURSE OF BUSINESS**

It means a transaction which is:

- i. Carried out in the normal course of business envisaged in accordance with Memorandum of Association of the Company as amended from time to time.
- ii. Historical practice with a pattern of frequency; or
- iii. Common commercial practice; or
- iv. Meets any other parameters/ criteria as decided by Board/ Audit Committee.

## **6. DISCLOSURE AND REPORTING**

1. Details of the RPTs during the quarter shall be disclosed in the Audit Committee Meeting and Board Meeting
2. The Company shall disclose to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis details of all material transactions with Related Parties. In addition, as required under Regulation 23(9) of the SEBI LODR, the Company shall submit within 15 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of RPTs on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
3. Board's Report shall contain details of RPTs as required under applicable law.
4. This Policy shall be communicated to all concerned employees and other persons of the Company at all locations for implementation and reporting.

## ANNEXURE-1

### POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

#### 1. OBJECTIVE

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended from time to time, requires a company to inter alia formulate a policy on materiality of Related Party Transactions (including clear threshold limits duly approved by the Board of Directors). Further, the said Regulation also states that the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions.

#### 2. MATERIALITY THRESHOLDS

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 the following materiality limits:

<b>Nature of Transactions</b>	<b>Materiality as per Companies Act, 2013 (A)</b>	<b>Materiality as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (B)</b>
Sale, purchase or supply of any goods or materials directly or through appointment of agents	Exceeding 10% of Turnover	All transactions with one party exceeding 10% of the annual consolidated turnover
Buying, selling or disposing of property of any kind directly or through appointment of agents	Exceeding 10% of Networth	
Leasing of any kind of property	Exceeding 10% of Turnover	
Availing or rendering of any services directly or through appointment of agents	Exceeding 10% of Turnover	
Appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs. 2,50,000/-	
Remuneration for Underwriting the subscription of any securities in or derivatives	Exceeding 1% of net worth	

thereof		
Transfer of resources (e.g. loans and advances, interest thereof. guarantees)		
Transaction involving payments made to a Related Party with respect to brand usage or royalty		Transactions with one party exceeding 5% of the annual consolidated turnover

Here, Networth and Turnover would be as per Audited Financial Statements of the preceding financial year and the Company has defined Material RPTs based on the thresholds defined as per Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI LODR.

### **3. MATERIAL MODIFICATIONS**

Material Modifications shall mean an amendment to the terms of a transaction/ agreement/ commitment with/ to a Related Party, the effect of which will be an increase over the approved limit for a transaction, by an amount more than Rs.10 (Ten) Crore in a financial year or 20% (twenty per cent) of the approved limit, whichever is lower.

Provided that material modifications shall be deemed to include the following, without application of the above criteria:

- a) In case of a loan or deposit or any other means of funding, any deviation in the objects or purposes for which the loan or deposit was given or funding was made or received;
- b) In case of any other transaction or agreement, any amendment which will have an effect of:
  - (i) deferring the consummation of such transaction or agreement by a period beyond one year from the existing approved term/ period; or
  - (ii) renewing or extending the term of the transaction or agreement for a period exceeding one year of its existing approved term / period.

Provided further that any modification to the transactions/ agreements entered into:

- a) for sale, purchase or supply of any goods or materials or availing or rendering of any services in the ordinary course of business and on arm's length basis;
- b) between the Company and its wholly owned subsidiary;
- c) transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the annual general meeting for approval,

shall be excluded from the applicability of above definition.

#### **4. APPLICABILITY**

All material Related Party Transactions and subsequent Material Modifications shall require approval of the shareholders through a resolution and no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

## REVISION HISTORY

<b>Sr. No.</b>	<b>Date of adoption &amp; subsequent modifications</b>	<b>Approved by</b>
1.	10/02/2022	Board of Directors