



## Related Party Transactions Policy

### 1. Objective and Purpose

Kaushalya Logistics Limited ("the Company") is governed, amongst others, by the rules and regulations framed by Securities and Exchange Board of India ("SEBI"). SEBI has mandated every listed Company to formulate a policy on materiality of Related Party Transactions ("RPT") and also on dealing with Related Party Transactions.

This policy is framed in compliance with Regulation 23 of Listing Regulations and such other Rules/Regulations, as may be notified by the Government/ SEBI from time to time and Section 188 of the Act and the Rules, as amended from time to time, and other applicable provisions, if any (collectively referred to as the "Applicable Regulatory Provisions").

This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company, and all Related Party Transactions shall be entered into by the Company in accordance with this Policy or in accordance with the applicable provisions.

### 2. Definitions

**Act:** shall mean the Companies Act, 2013 and includes any amendment thereof and the rules made there under.

**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.

**Board:** Means Board of Directors of the Company.

**Control:** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Take overs) Regulations, 2011 and includes any amendment thereof.

**Audit Committee:** means Audit Committee of the Board of Directors of the Company constituted under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013.

**Key Managerial Personnel:** means key managerial personnel, as defined under the Companies Act, 2013 from time to time and presently, means: -

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- a. the Chief Executive Officer or the Managing Director or Joint Managing Director or the Manager;
- b. the Company Secretary;
- c. the Whole-Time Director; and
- d. Chief Financial Officer.

**Material Related Party Transaction:** means a related party transaction with thresholds as prescribed under the Listing Regulations, 2015

**Related Party:** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity 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:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s).

**Relative:** means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if: –

- a. They are members of a Hindu Undivided Family;
- b. They are husband and wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son's wife;
- g. Daughter;
- h. Daughter's husband;

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- i. Brother (including step-brother); or
- j. Sister (including step-sister).

**Material modification:** means any subsequent change to an existing RPT having variance of 20% of the existing limit or Rs. 10 Crores whichever is lower.

**Ordinary course of business:** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

All capitalized terms used in this Policy but not defined hereinabove shall have the meaning assigned to such term in the Act and the Rules made thereunder, as amended from time to time. In case of any conflict between this Policy and applicable laws, the applicable law (as existing on the date of the concerned transaction) shall prevail.

## **Approval of Related Party**

### **Transactions Audit Committee**

All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations and the Act. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed below.

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

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The Audit Committee shall also pre-approve related party transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value crosses the thresholds as prescribed under the Listing Regulations.

### **Board of Directors**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction, etc. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

### **Shareholders**

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or  
(ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a passing a resolution. In such a case, 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.

The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

### **Reporting of Related Party Transactions**

Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

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The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

#### **4. Review of the Policy**

The Board of Directors shall review the Policy from time to time and shall have right to amend/ alter/ modify this Policy as may be required in accordance with the changes in the laws, rules and regulations or otherwise wherever necessary to adhere to the guidelines, if any.

#### **5. Amendments to the Policy**

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

The approved Policy shall be uploaded under a separate section on the website of the Company.

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