



## Sical Logistics Ltd

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### POLICY ON RELATED PARTY TRANSACTIONS

#### **PREFACE**

Sical Logistics Limited [the Company] as a large corporate is imbued to good corporate governance practices, including the matters relating to Related Party Transactions [RPT]. All efforts are made to have only arms' length transactions with all the Related Parties. In accordance with the requirement of Clause 49 of the Listing Agreement, the Company formulates a policy as set forth below to determine the materiality of related party transactions.

All Related Party Transactions [RPT] of the Company, shall be subject to review in accordance with the procedures herein set forth. The Audit Committee [“the Committee”] of the Board of Directors shall be the authority to review all Related Party Transactions.

#### **DEFINITIONS**

A ‘related party’ is a person or entity that is related to the Company. Parties / Entities are considered to be related to the company if

- [a] such entity is a related party under section 2 [76] of the Companies Act, 2013 or
- [b] such entity is a related party under the applicable accounting standards.

‘Materiality of Related Party Transactions’ means where any transaction/transactions which is to be entered into individually or taken together with the previous transactions during a financial year exceed / likely to exceed ten percent [10%] of the annual consolidated turnover of the company as per the latest audited financial statements of the company.

#### **PROCEDURES**

1. All Related Party Transactions [RPTs] of the Company as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement [prevailing as of now or as amended from time to time] will be approved by the Audit Committee of the Board.
2. Each Director who is a Related Party with respect to a particular Related party Transaction shall disclose all material information to the Committee concerning such Related Party Transaction and his or her interest in such transaction.

3. Management shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential Related Party Transactions.
  - [a] a general description of the transaction [s] including the name of the related party and nature of relationship, duration of the contract and particulars of the contract or arrangement, maximum amount of transaction that can be entered into, the material terms and conditions.
  - [b] The Related Party's interest in the transaction[s] including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction[s].
  - [c] the manner of determining the pricing and other commercial terms, the indicative base price / current contracted price and the formula for variation in the price, if any.
  - [d] any advance paid or received for the contract or arrangement, if any, and the approximate value of the transaction [s] and the approximate value of the Related party's interest in the transaction[s].
  - [e] In the case of a lease or other transaction, providing for periodic payments or instalments, the aggregate amount of all periodic payments or instalments expected to be made in the financial year.
  - [f] In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.
  - [g] whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors and any other material information regarding the transaction [s] or the Related Party's interest in the transaction[s].
4. Consent of the Board and the Shareholders would also be taken in respect of all RPTs as are required to be obtained as per the existing provisions of the Companies Act, 2013 and / or Clause 49 of the Listing Agreement as amended from time to time, provided that such consent would not be required in the following cases:-
  - [a] The transactions are entered into by the Company in its ordinary course of business and are on an arms' length basis and
  - [b] The transaction [s] to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

5. Wherever the Board's consent / Shareholders approval is required as per Para 4 above,

[a] the agenda of the Board meeting at which the resolution is proposed to be moved and

[b] explanatory statement to be annexed to the notice of such general meeting,

shall disclose all such details / information about the contract as are prescribed under the Companies [Meetings of Board and its Powers] Rules, 2014.

6. Where RPTs require approval of the Board and the Shareholders through special resolution as per Para 4 above

[a] any director who is interested in any contract or arrangement with a related party, shall not be present at the meeting during the discussions on the subject-matter of the resolution relating to such contract or arrangement and

[b] such Related Party[ies] shall abstain from voting on such resolutions of the shareholders.

7. If a RPT will be ongoing / proposed to be entered into by the company, the Committee may grant omnibus approval for ongoing dealings / proposed related party transactions. Such omnibus approval shall specify

[a] the name[s] of the related party, nature of transaction, period of transaction and the maximum amount upto which transactions that can be entered into

[b] the indicative base price / current contracted price and the formula for variation in the price, if any, and

[c] such other conditions as the Audit Committee may deem fit.

If the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transaction subject to their value not exceeding Rupees one crore per transaction. The Audit Committee shall lay down the criteria / guidelines for granting the omnibus approval in line with the policy on Related Party Transactions of the Company. Such approval shall be applicable in respect of transactions which are repetitive in nature and valid for one year only.

8. The Committee shall periodically review and assess the ongoing relationships with the Related Party. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this Policy shall also be subject to subsequent review under this Policy.

9. The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate.

#### ***GOVERNANCE OF THE POLICY***

This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with the Rules made thereunder, as may be in force for the time being as well as clause 49 of the Listing Agreement or such other Rules / Regulations as may be notified by SEBI from time to time and also in accordance with any amendments to any of the provisions of Companies Act and Listing Agreement at a future date.