

**TIMESCAN LOGISTICS (INDIA) LIMITED**  
**POLICY ON RELATED PARTY TRANSACTIONS**

**Introduction**

**TIMESCAN LOGISTICS (INDIA) LIMITED** (the “Company”) recognizes that certain relationships can present potential and actual conflicts of interest and may raise questions about whether transactions associated with such relationships are consistent with the Company’s and stakeholders’ best interests.

The Company must specifically ensure that certain related party transactions (as defined below) are managed and disclosed in accordance with the strict legal and accounting requirements to which the Company is subject.

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

**Applicability & Effective Date**

This policy shall be applicable to the Company with effect from the date of its approval in the meeting of Board of Directors of the Company to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

**Purpose**

This policy is framed as per requirement of Regulation 23 (1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also to comply with the provisions of the Companies Act, 2013 read with Rules made there under and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

**Definitions**

“**Act**” means the Companies Act, 2013 and Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactment thereof for the time being in force.

“**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

“**Audit Committee**” means a Committee constituted by the Board of Directors of the Company in accordance with the relevant clauses of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, as may be amended from time to time.

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

**“Company”** means Timescan Logistics (India) Limited formerly known as Timescan Logistics (India) Private Limited.

**“Key Managerial Personnel”** means key managerial personnel as defined under section 2(51) of the provisions of Companies Act, 2013 and includes:

- i. Managing Director, or Chief Executive Officer or Manager and in their absence,
- ii. a Whole-time director;
- iii. Company Secretary;
- iv. Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.

**“Material Related Party Transaction”** means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year, exceeding the following thresholds:

- In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- In case of any other transaction(s), if the amount exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements.

**“Policy”** means Related Party Transaction Policy.

**“Related Party”** means an entity which is a related party as per Section 2(76) of the Companies Act, 2013 or such entity(ies) which is a related party as provided under the applicable Accounting Standards, any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company or such other person as is a related party as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

**“Related party transaction”** means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract. It includes the following transactions:

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services
- f. such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company and
- g. underwriting the subscription of any securities or derivatives thereof, of the Company.

**“Relative”** with reference to any person, means one who is related to another in any of the following manner —

- 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)

**“Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or reenactments thereof for the time being in force (hereinafter referred to as “SEBI LODR Regulations”).

**“Transactions in the ordinary course of business”** mean transactions/activities that are connected to or necessary for the business of the Company and satisfy the following principles:

**“Unforeseen Related Party Transaction”** means a related party transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.

### **Policy**

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

### **Identification of potential related party transactions**

Each director and Key Managerial Personnel are responsible for providing Notice to the Board of any potential Related Party Transaction involving themselves or their relative, including any additional information about the transaction that the Board/ Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of Interest and the Audit Committee shall determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

### **Review and Approval of Related Party Transactions**

The proposed Related Party Transactions shall be referred to the next meeting of Audit Committee

for review and approval. Any member of the Committee who has a potential interest in such Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee shall be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. The information provided shall specifically cover the following:

- the name of the related party and nature of relationship;
- the nature, duration of the contract and particulars of the contract or arrangement;
- the material terms of the contract or arrangement including the value, if any;
- any advance paid or received for the contract or arrangement, if any;
- the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- 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 information relevant or important for the Committee to take a decision on the proposed transaction.

In determining whether to approve a Related Party Transaction, the Committee shall consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of the directors/key managerial personnel;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company; and
- Whether the Related Party transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review

and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

#### **Approval of the Board and the shareholders**

The Audit Committee shall report all “Material Related-Party Transactions” to the Board of Directors. The Company shall also seek shareholders’ approval for “Material Related-Party Transactions” in the subsequent general meeting of the year in which the Related-Party Transaction is undertaken. The related parties (if any) shall abstain from voting on the resolution approving the transaction.

In case of transactions which are not in the ordinary course of business or not at arm’s length, Board approval will be required. In case these are material transactions prior approval of shareholders by a resolution will be required as per the requirements of the Companies Act, 2013 and such Related Parties shall abstain from voting on such resolution as per the provisions of the applicable law. The explanatory statement to be annexed to the notice of a general meeting, where a resolution is to be passed for approving a related party transaction shall contain the following particulars, namely:

- name of the related party;
- name of the director or key managerial personnel who is related, if any;
- nature of relationship;
- nature, material terms, monetary value and particulars of the contract or arrangement;
- any other information relevant or important for the members to take a decision on the proposed resolution.

#### **Transactions considered under ordinary course of business and on arm’s length basis**

The phrase “ordinary course of business” is not defined under the Companies Act, 2013 or rules made there under. The ordinary course of business shall cover the usual transactions, customs and practices of the company. A variety of factors such as size and volume of transactions, arm’s length, frequency, purpose of the transaction, etc., shall be considered for making an assessment as to whether a transaction is in the ordinary course of business or not.

The explanation to Section 188 of the Act states that the expression “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. However, it would be pertinent to note that methodologies and approaches for determining the “Arm’s Length Transactions” have not been prescribed in the Act. In the absence of any information/ methodology/ approach for determining the “Arm’s Length Transaction” in the Act, such methodologies/ approaches existing under “Indian Transfer Pricing Guidelines” contained in the Income Tax Act, 1961 shall be adopted.

Nothing contained in Section 188 (1) of the Act shall apply to any transactions entered into by the company in its ordinary course of business and arm’s length basis.

Arm’s length basis means the transactions should be independent and is being done on same terms and conditions as if done with some unrelated party. The concept of arm’s length transaction ensures that both parties in the transaction are acting in their own self-interest and are not subject to any pressure or compulsion from other party.

The indicative factors for determining the term ordinary course of business:

- (i) Is normal or otherwise remarkable for the business of the company (i.e. features in the company's system, processes, advertising, staff training, etc.)
- (ii) Is frequent and regular
- (iii) Involves significant amounts of money
- (iv) Is a source of income for the business
- (v) Involves significant allocation of resources
- (vi) Is involved in a service or product that is offered to the customers.

### **Material Related Party Transactions**

Material Related Party Transactions will be determined as per the following:

<b>Sr. No.</b>	<b>Category of Transactions</b>	<b>Material Related Party Transactions- Companies Act, 2013</b>	<b>Material Related Party Transactions- SEBI</b>
1	Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	Exceeding 10% of turnover or Rs. 100 crore, whichever is lower	If the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements
2	Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent.	Exceeding 10% of net worth or Rs. 100 crore, whichever is lower	
3	Leasing of property of any kind;	Exceeding 10% of net worth or 10% of turnover or Rs. 100 crore, whichever is lower	
4	Availing or rendering of any services;	Exceeding 10% of turnover or Rs. 50 crore, whichever is lower	
5	Such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company.	At a monthly remuneration exceeding Rs 2.5 lakh	
6	Remuneration for Underwriting the subscription of any	Exceeding 1% of net worth	

	securities or derivatives thereof, of the Company.		
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The limits specified in 1 to 4 above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

#### **Omnibus Approval from Audit Committee**

All related party transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company subject to the following conditions:

- The Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- The Committee should satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- Such omnibus approval shall specify:
  - a) Name(s) of the Related Party
  - b) Nature of transaction
  - c) Period of transaction
  - d) Overall limit of transactions that can be entered into
  - e) The indicative base price/ current contracted price and formula for variation in price, if any
  - f) Other conditions which the Committee deems fit.
- Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Committee can give omnibus approval by way of ratification for such transactions subject to their value not exceeding Rs. 1 crore per transaction.
- The Committee will review at least on a quarterly basis, the details of all related party transactions entered into by the Company pursuant to each of the omnibus approval given.
- Such omnibus approvals shall be valid for a period of not exceeding one year from the date of approval and shall require fresh approvals after expiry of one year.
- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

#### **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 completion, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action, it deems appropriate. In any case, where the Committee determines not to ratify a Related Party Transaction that has been

commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

### **General Principles**

It shall be the responsibility of the Board to monitor and manage potential conflicts of interest of management, board members and shareholders including abuse in related party transactions.

The Independent Directors of the Company shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.

The Audit Committee shall have the following powers with respect to related party transactions:

- To seek information from any employee
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To investigate any related party transaction.

The Company while entering into this transaction shall ensure that such related party transaction is in the best interest of the Company and adheres to this Policy.

### **Disclosure**

Disclosure shall be made in the Company's Annual Report of the particulars of the material contract and arrangement along with the justification for entering into such contracts/ arrangements with the Related Parties as part of Board's Report in line with the provisions of Section 188 of the Companies Act, 2013. This Policy shall also be uploaded in the website of Company [www.timescan.in](http://www.timescan.in) and a web link thereto shall be provided in the Annual Report.

The Company shall also disclose the details of all material Related Party on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Regulation 23(9) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

Board's Report shall contain details of RPTs as required under applicable law. The Company shall keep on or more registers giving separately the particulars of all contracts or arrangements with any related party requires approval of the Board.

This Policy shall be communicated to all concerned employees and other persons of the Company at all locations for implementation and reporting.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions 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.

### **Policy Review**

This Policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

### **Policy Severable**

This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.