



**Sindhu Trade Links Ltd.**

## **POLICY ON RELATED PARTY TRANSACTIONS**

### **Purpose of the Policy**

As per the applicable provisions of the Companies Act 2013 and the Listing Agreement, the Listed Companies are mandatorily required to frame the policies on the materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Accordingly, the required policy has been formulated by the Company thereby laying down the principles and regulations for executing related party transactions.

The Audit Committee would review and amend the Policy, as and when required and would place the same for the approval of the Board.

### **Definitions**

**"Act"** shall mean the Companies Act, 2013 and includes any amendment thereof.

The terms applied in this policy will have the same meaning as assigned to them in the Act and the Rules thereunder and the Listing Agreement, as amended from time to time.

### **Policy**

All the related party transactions must be reported to the Audit Committee and the same shall be reviewed and approved by the Audit Committee. The prior and / or omnibus approval can be obtained for the transactions which are repetitive in nature. In case of any inadvertent omission while reporting of the transactions, the same shall be ratified by the Audit Committee.

### **Determination of related Parties**

All Related Parties for the Company should be disclosed on a regular basis by the Directors/ KMPs, corporate and investment structure to the Secretarial Department of the Company as immediately as practicable.

### **Determination of Arm's Length Basis**

The prescriptive guidelines for the Arm's length basis are not defined in the Companies Act, 2013. Hence, the framework approved by the Audit Committee or by the Board in consultation with the Audit Committee shall be adopted for the determination of the related party transactions. Any other methodology and/or logical approach will be considered as and when the need arises for the identification and specification of the related party transactions.

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CIN : L63020DL1992PLC121695



# STLL Sindh Trade Links Ltd.

Additionally, the pricing of long term RPTs as defined by Audit Committee/ Board of Directors, shall be reviewed periodically to ascertain the appropriateness of Arm's Length.

## **Manner of Dealing with Related Party Transactions**

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries.

1. The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:
  - i. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
  - ii. The indicative base price / current contracted price and the formula for variation in the price, if any; and
  - iii. Such other conditions as the Audit Committee may deem fit.

2. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.

3. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4. In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.
5. All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

## **Board of Directors**

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In case of any related party transactions which are (i) referred by the Audit committee to Board, (ii) being reviewed by the Board from time to time (threshold limit, etc.) proposing for the approval of the shareholders (iii) not in the ordinary course of business, (iv) not at an arm's length price, the Board will consider such factors as may be required to approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

## Shareholders

Any related party transaction which is (i) a material transaction as per clause 49, 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, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a related party, shall not vote on resolution passed for approving such related party transaction.

## Reporting of Related Party Transactions

Every contract or arrangement, which is required to be approved by the Board/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.

## Disclosure

Details of the related party transactions should be disclosed to the stock exchange on the quarterly basis along with the compliance report on the corporate governance.

The policy should also form a part of the board report and necessary entries required to be made in the register of the contracts as per The Companies Act, 2013.

## Related Party Transactions not previously approved

In the event there is no adequate approval of the transaction with a related party in accordance with the policy, the matter shall be reviewed and ratified by the Audit Committee, Board Of Directors as the case may be. The Audit Committee, Board of Directors shall consider all of the relevant facts and circumstances regarding the related party transactions, including but not limited to the ratification, revision or termination of the related party transaction and for seeking the approval of the shareholders.

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The Audit Committee shall in connection with any review / approval of a related party transaction, has authority to modify or waive any procedural requirements of the policy.

#### **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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