

ROADWAYS INDIA LIMITED

Policy on Related Party Transactions

I. INTRODUCTION

Roadways India Limited ("**Company**") recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its stakeholders. The Board of Directors of the Company has adopted the following policy with respect to Related Party Transactions, in compliance with the requirements of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time (the Regulations).

II. Definitions:

"Arm's Length Transaction" means a transaction among two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—For the purpose of this clause,—

(a) The expression "significant influence" means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement;

(b) The expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

(c) the expression "Total Voting Power" in relation to any matter means the total number of votes which may be cast in regard to the matter on a poll at a meeting of a company if all the members thereof or their proxies having right to vote on that matter are present at the meeting and cast their votes.

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

"Board" means Board of Directors of the Company.

"Materiality Transactions"

Brand Usage or Royalty: A transaction involving payments made to a related party with

respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 2% of the annual consolidated turnover of the Company as per the last audited financial statements.

Any other Transaction: 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 10% of the annual consolidated turnover of the Company as per the last audited financial statements.

“Key Managerial Personnel” means:

- i. Executive Directors;
- ii. Chief Financial Officer;
- iii. Company Secretary;
- iv. Chief Executive Officer

“Omnibus Approval” means a consolidated/standing approval given by the Committee in respect of transaction(s) which are repetitive in nature.

“Ordinary Course of Business” may include the usual transactions, customs and practices of the company, or transactions permitted by the Object Clause in the Memorandum of Association of the Company.

“Policy” means Related Party Transaction Policy.

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

- 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)

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

Provided that any person or entity belonging to the promoter or promoter group of the company and holding 20% or more of shareholding in the Company shall be deemed to be related party.

“Related Party Transaction” means any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged and includes:

- a. sale, purchase or supply of any goods or material;
- 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 or property;
- f. a 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 of the Company, and

(The above is an indicative list and not an exhaustive one).

“Transaction” with related party shall be construed to include a single transaction or a group of transactions.

III. Review and Approval of Related Party Transactions

- i. All Related Party Transactions and amendments or modifications thereto shall require prior approval of the Audit Committee.
- ii. The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions, which are of repetitive nature and where exact volume or price of the transaction cannot be ascertained at the time of approval.
- iii. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- iv. Such omnibus approval shall specify (a) the name/s of the Related Party and nature of the relationship; the nature, duration, material terms and other particulars of the Transaction, maximum amount of Transaction 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.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval subject to the value not exceeding Rs.1 crore per Transaction.

- v. The Audit Committee shall review, at least once every quarter, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given by the Audit Committee.

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

vii. Approval of the Board of Directors shall be required for entering into the Related Party Transactions which are not in the ordinary course of business or not an Arm's Length transaction.

viii. Approval of the shareholders shall be required for entering into the Related Party Transactions which are either not in the ordinary course of business or not on arms' length and exceeding the limits prescribed under the Companies Act, 2013 read with the rules framed thereunder and with the relevant provisions of the Listing Regulations from time to time.

ix. All Material Related Party Transactions shall require the approval of the shareholders.

IV. Disclosure

The Company shall comply with all the reporting and disclosure requirements as may be prescribed from time to time in terms of applicable laws including the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.