

NANAVATI VENTURES LIMITED

RELATED PARTY TRANSACTION POLICY

Constituted Date: 26th October, 2020

Last Amendment Date: 26th October, 2020

RECOMMENDED BY: Audit Committee

APPROVED BY: Board of Directors

Related Party Transaction Policy

RELATED PARTY TRANSACTION POLICY

PREAMBLE

This Policy has been laid down on the recommendations of the Audit Committee and is in compliance with the requirements of the Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable, and amended from time to time (the “SEBI Listing Regulations”).

The Board of Directors (the “Board”) of Nanavati Ventures Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transaction as defined below. The Audit Committee may, from time to time, review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time

Objectives:

The Board to ensure the proper identification, approval, monitoring and reporting of transactions between the Company and its Related Parties. Such transactions (to be referred herein as ‘RPT’) are generally in the ordinary course of the business and at the arm’s length price. Though, transaction with such related parties which are not in the course of ordinary course of the business and not at arm’s length price shall also be covered under the Policy.

Applicability:

This Policy is in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other applicable law as and when applicable.

Herein, “Related Party Transaction” means such transactions as specified under Section 188 of the Companies Act, 2013 or rules made thereunder and the SEBI LODR, 2015 including any amendment or modification thereof, as may be applicable.

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

“Ordinary course of business” would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per Memorandum & Articles of Association.

Definitions:

“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 (Committee)” means Committee of Board of Directors of the Company constituted under provisions of the Listing agreement as well as the Companies Act, 2013;

“Board” means Board of Directors of the Company;

“Company” means Nanavati Ventures Limited;

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013;

“Material Related Party Transaction under Companies Act 2013” means a transaction as defined under Section 188(1) of the Companies Act, 2013 with a related party defined under Section 2(76) of the said Act where the aggregate value of the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under the said Act from time to time.

“Material Related Party Transaction under Listing Agreement” means a transaction covered under Regulation 23 of SEBI Listing Regulations with a related party as defined hereunder and value of such transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the company. Further, transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.

“Policy” means this Policy on Related Party Transactions.

“Related Party” means a related party under Section 2(76) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 or a related party under the applicable accountable standards, as amended from time to time.

“Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

“**Relative**” means relative as defined under section 2(76) of the Companies Act, 2013.

Policy on Determination of Materiality of Related Party Transactions:

All transactions which are not in the ordinary course of business or not at arm’s length pricing or both will be put up for prior approval of the Board. In case the Company has a paid-up share capital exceeding the amount as may be prescribed or the value of the specified transaction exceeds the prescribed thresholds under the Act, it will also be put up for prior approval of the shareholders.

All material Related Party Transactions (within the meaning of the SEBI Listing Regulations) shall require approval of the shareholders and all Related Parties shall abstain from voting on such resolutions irrespective of whether the entity is a party to the particular transaction or not.

Exclusion: Transactions entered into between a Company and its wholly owned subsidiary in India and overseas, shall outside the scope of the provisions of Clause 9 as per Regulation 23 (5) (b) of the SEBI Listing Regulations shall not be deemed as a Related Party Transactions.

Omnibus Approvals Related to the Related Party Transactions:

The Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance with following conditions:

- a. The Committee, upon obtaining approval from the Board shall lay down the criteria for granting the omnibus approval which shall include the following:
 - maximum value of the transactions, in aggregate, which can be allowed under the omnibus approval route in a year;
 - the maximum value per transaction which can be allowed;
 - extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - review, at such intervals as the Committee may deem fit, Related Party Transactions entered into by the Company pursuant to each of the omnibus approval made; and
 - transactions which cannot be subject to the omnibus approval by the Committee.
- b. The Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company and shall consider the following factors while specifying the criteria for making omnibus approval:
 - repetitiveness of the transactions (in past or in future); and
 - justification for the need of omnibus approval.

- c. Such omnibus approval shall specify
- the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - the indicative base price / current contracted price and the formula for variation in the price if any, and
 - such other conditions as the Committee may deem fit;

Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1.00 Cr. per transaction.

- d. The 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.
- e. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- f. Such omnibus approvals shall be valid for a period not exceeding 1 financial year and shall require fresh approvals after the expiry of such financial year.

Identification of ‘Related Parties’ and ‘Related Party Transactions’:

At the beginning of the every financial year, a declaration will be opted from every Directors, KMPs and other Related Parties within the meaning of Section 2(76), 184 and 189 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR), 2015.

Apart from the above, such declaration will also be opted from above parties at the time of any change immediately.

The Company will take the note of the above declarations.

The Committee / Board will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party’s interest in the Related Party Transaction. Committee / Board will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

Approval of transaction:

Audit Committee:

All Related Party Transactions entered into shall be subject to prior approval of the Audit Committee (unless it is exempted pursuant to the provisions of the listing agreement as amended). The approval of the Audit Committee can be granted by way of a Circular Resolution as well. However, the Audit Committee may grant an 'Omnibus Approval' for RPT proposed to be entered into by the Company subject to the conditions provided under the Companies Act, 2013 and the SEBI (LODR), 2015.

The Committee shall overlook the certain points while considering the proposals of such transactions i.e. Arm's length price, fairness, rationale for the transaction, likely impact of the transaction on the Party and the Company, Conflict of Interest, etc.

Board:

Along with the approval from the Audit Committee, approval of the Board shall be required where RPTs that are not in the ordinary course of business or not on arm's length basis. Any member of the Board who has an interest in such RPT will recuse him or herself and abstain from participating and voting on the approval of such RPT.

Shareholders:

All the Material RPTs shall require approval of the shareholders through an Ordinary Resolution (unless it is exempted pursuant to the provisions of the Act or the SEBI LODR) and no Related Party shall vote to approve such Resolution(s).

The transactions which fall under Section 188 of the Act which are not in the Ordinary Course of business and / or not an arms' length basis and which crosses the threshold limits prescribed under the rules made thereunder, shall require approval of the Shareholders through Ordinary Resolution, and only the Related Parties with whom transactions are being entered into, shall abstain from voting on such resolution(s).

Factors to be considered while granting approval to Related Party Transactions:

The Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transactions while granting its approval:

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 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 an independent director;

Whether the transaction qualifies to be a transaction in ordinary course of business and at arm's length;

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 Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the overall financial position of the director 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.

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.

The details of material transactions with related parties will be included in the corporate governance reports which are required to be submitted to the stock exchanges on a quarterly basis.

The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report of the Company.

Review & Monitoring of Related Party Transactions:

The Audit Committee may review and monitor a Related Party Transaction taking into account 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. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

Following transactions not to be considered as Related Party Transactions:

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

Existing Related Party Transactions:

This Policy shall operate prospectively and all the agreements which have been entered before the effective date of this policy and are in accordance with the then prevailing laws shall be valid and effective. However, any agreement for material transactions which has been already approved and continued to be operational beyond March 2015, procedure under clause 4.2 is to be followed.

This Policy will be communicated to all Directors, KMPs, operational employees and other concerned persons of the Company and the definition / provisions of the policy herein shall be deemed to have been amended to the extent of any alterations in laws/ statutes by virtue of an amendment.

Related Party Transactions not approved under this Policy:

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy the matter shall be reviewed by the Audit Committee. The Audit 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 by it or recommend the Board for their ratification or seeking approval of Shareholders, 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 cases where the Board and / or shareholders' approval is required, and a contract or arrangement is entered into by a director or any other employee, without obtaining such

consent of the Board or approval by a special resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

In any case, where the Committee determines not to ratify a Related Party Transaction that has 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.

Any Director or other employee of the Company who has entered into or authorized any arrangement, transaction or contract in violation of this Policy, the Act, the SEBI Listing Regulations or any other applicable law or regulation, may be subject to such disciplinary proceedings as the Board may decide and penal consequences as prescribed under applicable law.

Statutory Disclosures:

Details of all the material RPTs shall be disclosed to the Stock-Exchanges along with other mandatory details as per the SEBI LODR.

Such RPTs shall also be placed on the web-site of the Company and the web-link of the same to be provided in the Annual Report.

The Board shall disclose Related Party Transactions in its Report to Shareholders of the Company.

The details of Related Party Transactions during the quarter shall be disclosed in the Audit Committee and Board meeting minutes. The 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, if any.

The Company shall disclose to the stock exchange along with the compliance report on corporate governance on a quarterly basis details of all material transactions with Related Parties. Director's report shall contain details of Related Party Transactions as required under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations.

This Policy shall be made available on the website of the Company, www.nventures.co.in and a web link thereto shall be provided in the Company's annual report.

Amendments:

The Policy may be reviewed by the Board of the Company, from time to time, on the recommendation of the Audit Committee.

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.
