

NAVA BHARAT VENTURES LIMITED HYDERABAD

POLICY ON RELATED PARTY TRANSACTIONS

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
[As approved by the Board of Directors of the Company]

1. Objective

The objective of this policy is to set out (a) the materiality thresholds for Related Party Transactions and; (b) the manner of dealing with the transactions between the Company and its related parties in line with the Companies Act, 2013 (“the Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) (including any statutory modification(s) or reenactment(s) thereof) and any other laws and regulations as may be applicable to the Company.

The Policy is framed in accordance with the requirements of Regulation 23 of the Regulations and is adopted by the Board of directors (“the Board”) of Nava Bharat Ventures Limited (“the Company”) based on recommendations of the Audit Committee.

2. 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**” means the Committee of the Board formed under section 177 of the Act and Regulation 18 of the Regulations, as amended.

“**Key Managerial Personnel**” means the Key Managerial Personnel of the Company in terms of the Act.

“**Related Party**” means as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.

“**Related Party Transaction**” have the meaning as defined under Section 188 of the Act and Regulation 2(1)(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.

Any other term not defined herein shall have the same meaning as defined in the Act and the Regulations or any other applicable laws or regulations as amended from time to time.

3. Materiality Thresholds

Regulation 23 of the Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through



resolution is required. The Company has adopted the following materiality threshold for the purpose of Regulation 23 of the Regulations.

| S.No | Particulars | Thresholds |
|------|---|--|
| 1. | Payment to a related party with respect to brand usage or royalty | 2% or such other percentage as may be prescribed in the Regulations of the annual consolidated turnover of the Company as per its last audited financial statements |
| 2. | Other transactions with a Related Party | 10% or such other percentage as may be prescribed in the Regulations of the annual consolidated turnover of the Company as per its last audited financial statements |

4. Manner of dealing with related party transaction

All related party transactions shall be pre-approved by the Audit Committee. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under the provisions of Section 177 of the Act and rules made thereunder and Regulation 23 of the Listing Regulations, as amended from time to time.

Identification of Related Party Transactions:

- Each Director and Key Managerial Personnel (KMP) is responsible for providing notice to the Board/Audit Committee of any potential Related Party Transaction (RPT) involving him/her or his/her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this policy. The Board/Audit Committee may delegate such powers to the officer(s) of the Company as it deems fit.
- Transactions with Related Parties which require prior approval of the Audit Committee/Board, the Chief Financial Officer (CFO) shall be responsible to notify the Audit Committee/ Board of any such potential RPTs.
- Such notice of any potential RPT shall be given well in advance to the Board/Audit Committee and shall also contain adequate information about the Related Party transaction(s). This will provide the Board/Audit Committee members adequate time and information to consider and review the proposed transaction(s).

5. Approval for Related Party Transactions

The Company shall not enter into any RPT except as stated hereinafter.

a) Transactions requiring approval of Audit Committee:

Every RPT shall be subject to prior approval of the Audit Committee whether at a meeting or by resolutions by circulation. However, the Audit Committee may grant prior omnibus approval for RPTs which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of conditions contained in the Act and rules made thereunder and Regulation 23 of the Listing Regulations.

A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

While considering any RPT, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such transaction, the benefits to the Company and to the related party along with other relevant matters, if any.

b) Transactions requiring approval of Board:

Pursuant to the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, any other transactions with related parties, which require approval of the Board, are also placed before the Board for its approval.

Any member of the Board who has a potential conflict of interest in any RPT will not remain present at the meeting or shall abstain from discussion and voting on the approval of such RPT and shall not be counted in determining the presence of quorum when such Transaction is considered.

c) Transactions requiring approval of Shareholders of the Company:

All the Material RPTs shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions.

All the transactions, other than the material related party transactions, with the related parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through a resolution if so required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

Approval & Review Mechanism:

- While seeking the approval of the Audit Committee, Board and the Shareholders, wherever required, all information that is relevant and necessary to the RPT and as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board and Shareholders as the case may be.
- The Audit Committee may grant omnibus approval for RPTs considering the repetitive nature of the transactions.
- The Audit Committee shall specify the criteria for granting omnibus approvals to the RPTs proposed to be entered into by the Company in the manner and to the extent prescribed under the Laws. Such omnibus approvals shall be valid for one financial year. The Audit Committee shall, while granting such omnibus approvals, satisfy itself about the adherence to the criteria so specified by it.
- The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.
- The omnibus approval granted by the Audit Committee shall include the particulars as prescribed under the Act and the Regulations.
- In case of any RPTs that cannot be foreseen or transactions in respect of which complete details are not available, the Audit Committee may grant an omnibus approval for such transactions provided that the value does not exceed Rs.1 crore per transaction.
- The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company.
- Any Director or KMP who is interested in any RPT shall not be present at the meeting of the Board or Audit Committee during discussions on the subject matter of the resolution relating to such transaction.



- The Audit Committee shall review, on a quarterly basis, the details of all related party transactions entered into by the Company.
- The Board of directors of the Company, on recommendation of the Audit Committee, may review the policy from time to time and amend appropriately to ensure conformity with the applicable Acts/Rules/Regulations including amendments thereof.

6. Disclosure

Appropriate disclosures shall be made in its Annual Report and to the Stock Exchanges on which equity shares of the Company are listed and at such other places as may be prescribed under the Acts/Rules/Regulations including amendments thereof.
