



## **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]

### **NAVA LIMITED**

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## 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 and (c) Approval of related party transactions 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.

This policy is framed in accordance with the requirements of Regulation 23 of the Regulations and other applicable provisions of the Act and is adopted by the Board of Directors (“the Board”) of NAVA LIMITED (“the Company”) based on recommendations of the Audit Committee.

## 2. Definitions

“**Act**” means the Companies Act, 2013.

“**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.

“**Key Managerial Personnel (KMP)**” means the KMP as defined in the Act.

“**Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (Listing Regulations)].

“**Related Party**” means as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Regulations.

“**Related Party Transaction**” shall have the meaning as defined under Section 188 of the Act and Regulation 2(1)(zc) of the Regulations.

“**Material modifications**” means any modification(s) to the material related party transaction(s) which were earlier approved by the Audit Committee or Shareholders provided such modification(s)

- (i) change(s) the complete nature of the transaction; and/or
- (ii) change(s) in the terms of the transaction that results in a significant impact



(iii) is/are in excess of 20% of the originally approved transaction.

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

**3. “Material related party transaction”** means a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of these regulations.

**4. Manner of dealing with related party transaction(s)**

All related party transaction(s) and subsequent material modifications shall be pre-approved by only those members of the Audit Committee who are independent directors. 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 SEBI (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 and subsequent material modifications require prior approval of the Audit Committee/ the Board, the Chief Financial Officer (CFO) shall be responsible for notifying the Audit Committee/ the 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 of Related Party Transactions

### 5.1 Approval of Audit Committee

- 5.1.1 All RPTs between the Company and its Related Parties, and any modifications therein, shall require prior approval of the Audit Committee.
- 5.1.2 RPTs to which a subsidiary of the listed entity is a party, but the Listed entity is not a party a transaction above rupees one crore, shall require prior approval of Audit Committee of the Company, if the value of the transaction (whether entered into individually or taken together with previous transactions, during a financial year) exceeds the lower of the following:
- (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
  - (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.]
- 5.1.3 The Audit Committee may grant omnibus approval for the RPTs of the Company or to its subsidiary, which are routine and repetitive in nature and which satisfy the criteria for omnibus approvals, as prescribed under the Act or the SEBI (Listing Regulations).
- 5.1.4 Where the need for the RPT cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- 5.1.5 Such omnibus approval shall be based on the criteria specified in this Policy.
- 5.1.6 Omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval, before the expiry of the approval period.
- 5.1.7 Only Independent Directors, who are members of the Audit Committee shall approve the RPTs. In case such Independent Director is interested in any potential RPT, then he/she shall abstain from voting when such transaction is being considered.

5.1.8 In case the Audit Committee does not approve any transaction, it shall make its recommendations on such RPTs to the Board.

5.1.9 The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs of the company or its subsidiary, on an annual basis.

5.1.10 “Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of clause 3 of this policy.

5.1.11 Ratification of related party Transactions

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- the transaction is not material in terms of the clause 3 of this policy;
- rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- the details of ratification shall be disclosed along with the disclosures of related party transactions to the stock exchanges half yearly
- any other condition as specified by the audit committee

**Criteria for making omnibus approvals:**

Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions:

a	Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year.	:	10% of the consolidated turnover based upon the latest available consolidated financial statements.
b	The maximum value per transaction, which can be allowed.	:	Rs. 1 crore.
c	Extent and manner of disclosures to be made to the	:	Approval covers where need could not be foreseen and details are not available.

	Audit Committee at the time of seeking omnibus approval.	Timely disclosures along with the details will be available as per regulation 23(9) of SEBI Listing regulations.
d	Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company or its subsidiary pursuant to each of the omnibus approval made.	Review at every quarterly meetings of the Audit Committee.
e	Transactions, which cannot be subject to the omnibus approval by the Audit Committee.	Transactions, which cannot be subjected to omnibus approval by the Audit Committee, are those, which require specific approval of the Shareholders or Board.

While considering any RPT, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and purpose of such transaction along with other relevant information, if any.

**a) Board of directors:**

Pursuant to the provisions of Section 188 of the Act and rules made thereunder, all RPTs specified under the said Section and rules which are not at arm's length basis, shall be placed before the Board for its approval.

In addition to the above, any other transaction with related parties, which requires approval of the Board, shall also be placed before the Board for its approval.

Any member of the Board/ Audit Committee, who has a potential conflict of interest in any RPT shall disclose his/her interest and shall not be present in the meeting for that agenda. Such member shall not be counted for the purposes of determining quorum.

**b) Shareholders:**

All the Material RPTs and subsequent material modifications shall require prior approval of the shareholders and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

All RPTs that are not material/not in the ordinary course of business/ not at Arm's Length basis shall also require the approval of the shareholders through a resolution as may be provided in the Act, any Law/ Regulations/ Rules/ Guidelines.

## 6. Approval & Review Mechanism

- While seeking the approval of the Audit Committee, the Board and the Shareholders, wherever required, all information that is relevant and necessary to such RPT as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided.
- All omnibus approvals granted by the Audit Committee 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.
- 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.



## 7. Disclosure

Appropriate timely 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.

Provided further that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except those who are part of the promoter or promoter group, shall not require disclosure under this policy, subject to the same not material in terms of the provisions of Clause 3 of this policy.

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