

ATV PROJECTS INDIA LIMITED

RELATED PARTY TRANSACTIONS POLICY

Preamble

The Board of Directors (the “Board”) of ATV Projects India Limited (the “Company” or “ATV”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy as and when required, subject to the approval of the Board of Directors.

This policy was revised in the Board Meeting of the Company dated 17.05.2021 and became applicable effective from 1st April 2019.

Purpose

This policy is framed as per the amended requirements of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is intended to ensure the proper reporting, approval and disclosure of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

Definitions

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“Board” means Board of Directors of the Company

“Key Managerial Personnel” means a key managerial personnel as defined under section 2(51) of the Companies Act, 2013 which includes:

- The Chief Executive Officer or the Managing Director, or the manager;
- The Company Secretary;
- The whole-time director
- The Chief Financial Officer and
- Such other officer as may be prescribed

“Material Related Party Transaction” - The 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 ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Transaction involving payment made to related party with respect to brand usage or royalty, individually or taken together with previous transactions during a financial year, exceeding 2% of annual consolidated turnover of the Company as per the last audited financial statement, shall also be considered as material related party transaction.

“Policy” means Related Party Transaction Policy.

“Related Party” - an entity shall be considered as related to company if

- a) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- b) Such entity is a related party under applicable accounting Standards.

Explanation:

A related Party as defined under section 2(76) of Companies Act 2013, with reference to the Company means:

- (i) a director or his relative;
- (ii) Key Managerial Personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director

- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two percent of its paid up share capital;
- (vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act;

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity

(viii) any company which is:

- o a holding, subsidiary or an associate company of such company; or
- o a subsidiary of a holding company to which it is also a subsidiary;

(ix) Such other persons as may be prescribed

Prescribed persons include, Director (excluding independent directors), Key Managerial Personnel of the holding company or their relatives.

“Relative” means relative as defined under section 2(77) of 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 Transaction” means a transaction which involves a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

Explanation:A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract

“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.

Policy

The Company undertakes to engage with related parties only for transactions that are in the ordinary course of business and on an arm’s length basis and ensure full compliance with all the applicable laws and regulations.

All Related Party Transactions should be reported to the Audit Committee for approval. Where required, the audit committee shall further refer such transactions to the Board of Directors or Shareholders, in accordance with this Policy.

(I) Identification of Potential Related Party Transactions

Every Director / KMP of the Company shall, at the beginning of the financial year or whenever there is any change in the disclosures already made, then immediately or at the first board meeting held after such change, provide information about his / her (including their relatives) nature of interest or concern in any company or companies or body corporate, firms or other association of individuals as prescribed under the Act, to the Company.

The Company Secretary shall circulate, immediately, the list of the Related Parties to concerned departments who initiate and or are authorised to decide various types of the transactions on behalf of the Company.

(II) Review and Approval of Related Party Transactions

- All Related Party Transactions shall require prior approval of the Audit Committee.
- While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the documents as placed before along with the proposal and or seek such other additional information from the management about the proposed transaction to assist / enable them in arriving at the decision on the proposal and also such other information as may be required in order to determine if the transaction is in the ordinary course of business and at arm's length or not.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
 1. The Audit Committee may grant omnibus approval in respect of Related Party Transactions for value not exceeding of Rs. 100 (hundred) Crore in aggregate in a financial year;
 2. The Audit Committee may grant omnibus approval in respect of individual Related Party Transaction for value not exceeding of Rs. 12 (twelve) Crore in a financial year;

Proposal seeking an omnibus approval from the Audit Committee shall include the following disclosures:-

- a. Name of the Related Party;
- b. Nature and duration of the transaction;
- c. Justification for seeking omnibus approval;
- d. Maximum amount of transaction(s) that can be entered into;
- e. the Indicative base price or current contracted price and the formula of variation in the price, if any;
- f. Key terms and covenants including non commercial covenants;
- g. Benchmarking information, if any and

h. such other additional information about the proposed transaction(s) to assist / enable Audit Committee in arriving at the decision on the proposal.

- Audit Committee shall not grant omnibus approval in respect of transaction of Selling or disposing of the undertaking of the Company.
- The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company before granting omnibus approval.
- The Audit Committee shall grant the omnibus approval in line with this policy on Related Party Transactions of the Company in respect of transactions, which are repetitive in nature, after taking into consideration justification for the need of such omnibus approval.
- Such omnibus approval shall specify;
 - a. the name/s of the related party, nature of transaction, period of 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 for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

- Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approval prior to the expiry of such financial year, if it is required to be continued.

i. Audit Committee will 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.

ii. If the Audit Committee concludes that the Proposal is not in the ordinary course of business and not on arm's length basis then it will forward the same with its views to the Board. Thereafter, the Board may take appropriate decision / action on the Proposal.

iii. Approval for all Material Related Party Transactions will be subject to the provisions of the Act and or SEBI LODR Regulation.

iv. Notwithstanding the above, approval of the Board & shareholders would be necessary, where the transaction(s) with a related party exceed the following threshold limits:

(III) Disclosure and Registers:

a. The Company shall disclose this Policy and the relevant particulars of related party transactions in accordance with the provisions of the Act and SEBI (LODR) Regulations.

b. The Company shall keep and maintain a register giving the particulars of related party transactions in accordance with the provisions of the Act and SEBI (LODR) Regulations.

(IV) Related Party Transaction not approved under this Policy:

In the event the Company becomes aware of any RPT that has not been approved by Audit Committee or the Board or Shareholders in General Meeting, as applicable, in accordance with this Policy / the Act / SEBI (LODR) Regulations Agreement then the Audit Committee or the Board or Shareholders in General Meeting, as appropriate, may ratify the same as is provided under the Act and or SEBI (LODR) Regulations.

(V) Waiver / Modification:

The Audit Committee or the Board shall have an authority to waive any of the procedural requirements of this Policy and also amend and / or modify this Policy in whole or in part, at any time when it deems appropriate, in accordance with the provisions of the Act and the SEBI (LODR) Regulations.

(VI) Other Terms:

- a. In case of any subsequent changes in the provisions of the Act, or SEBI (LODR) Regulations or any other regulations, which makes any of the provisions in the Policy inconsistent with the Act or SEBI (LODR) Regulations or regulations, the provisions of the Act or SEBI (LODR) Regulations or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the law.
- b. The Board will review, this policy from time-time as and when necessary or required but at least once every three years and amended or updated accordingly.