

TECHNVISION VENTURES LIMITED

RELATED PARTY TRASACTIONS POLICY



I. Preamble

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related party transactions can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company.

Security Exchange Board of India (SEBI), Circular Dated 17 April 2014, has amended the clause 49 of the listing agreement entered into by the company with the stock Exchanges. The Amended clause 49 requires all listed companies to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

This policy has been framed in line with Clause 49 of the Listing Agreement, provisions of the Companies Act, 2013 and the rules made thereunder and this policy will come into force with immediate effect.

II. APPLICABILITY

The Policy shall apply to all Related Party Transactions undertaken by the Company with the Related Party in accordance with the clauses contained herein.

III. OBJECTIVE

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. The Audit Committee of Directors ("Audit Committee"), shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated thereunder and Clause 49 of the Listing Agreement and must be approved in the manner as may be decided by the Board of Directors.

IV. DEFINITIONS & INTERPRETATION

I) Definitions

The terms defined in this RPT Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of Listing Agreement including any statutory modifications or reenactments thereof.

“Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“Company” means Technvision Ventures Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 1486(12-13-522), Lane No.13, Street No.14, Tarnaka, Secunderabad - 500007 and their successors and assigns.

“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.

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

Board means the Board of Directors of the Company.

Key Managerial Personnel (KMP) in relation to a company, means

- (1) the Managing Director;
- (2) Whole-time Directors;
- (3) the Company Secretary; and
- (4) the Chief Financial Officer

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the Company if:

A). such entity is a related party under Section 2(76) of the Companies Act, 2013 which are as follows or

- (i) a director or his relative;
- (ii) a 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 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 per cent. of its paid-up share capital;
- (vi) any body 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—
 - (a) a holding, subsidiary or an associate company of such company; or
 - (b) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) Director or key managerial personnel of the holding company or his relative with reference to a company

B). such entity is a related party under the applicable accounting standards.

“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) one person is related to the other in the following manner:
 - (1) Father (including step-father);
 - (2) Mother (including step-mother);
 - (3) Son (including step-son);
 - 4) Son’s wife;
 - (5) Daughter;
 - 6) Daughter’s husband;
 - (7) Brother (including step-brother);
 - (8) Sister (including step-sister)

“Related Party Transactions” means contract or arrangement with a related party with respect to-

- (a) sale, purchase or supply of any goods or materials;
- (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) such 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 thereof, of the company;

Related Party Transactions also covers transfer of resources, services or obligations between a company and a related party, regardless, of whether a price is charged or not.

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

"Office or place of profit" means any office or place—

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

"RPT Policy" means the Related Party Transactions Policy as set out herein and as amended or modified from time to time.

"Holding Company" means a Company within the meaning of section 2(46) of the Companies Act, 2013.

"Subsidiary Company" means a means a Company within the meaning of section 2(87) of 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.

"Turnover or Net Worth" means turnover or net-worth calculated on the basis of the Audited Financial Statement of the preceding financial year.

"Material Related Party Transactions": 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.

V. APPROVAL:

1). All Related Party Transactions including transactions in the ordinary course of business and at arm's length basis - Consent of Audit Committee shall be obtained

2). If Related Party Transaction is not at arm's length and/or not in the ordinary course of business - Approval of the Audit Committee and consent of the Board of Directors given by a resolution at a meeting of the Board shall be obtained.

3). If Related Party Transaction is material or not at arm's length basis and/or not in the ordinary course of business and exceeds the below mentioned limits for the specified Related party Transactions - Approval of the Audit Committee, consent of the Board of Directors given by a resolution at a meeting of the Board and prior approval of the Shareholders by passing a special resolution shall be obtained.

- Sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding ten percent (10%) of the turnover of the company or rupees one hundred crore (100 crore), whichever is lower.
- selling or otherwise disposing of or buying property of any kind, directly or through appointment of agents exceeding ten percent (10%) of net worth of the company or rupees one hundred crore (100 crore), whichever is lower.
- leasing of property of any kind exceeding ten percent (10%) of the net worth or exceeding ten percent (10%) of turnover of the company or rupees one hundred crore (100 crore), whichever is lower.
- Availing or rendering of any services directly or through appointment of agent, exceeding ten percent (10%) of the turnover of the company or rupees fifty crore (50 crore), whichever is lower..
- appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees.
- Remuneration for underwriting the subscription of any securities or derivatives thereof of the company exceeding one percent of the net worth of the Company.

4) In case of wholly owned subsidiary of Technvision Ventures Limited, the special resolution passed by Technvision Ventures Limited shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and Technvision Ventures Limited.

Note: Section 188 of the Companies Act, 2013 does not apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

5) Omnibus Approval by Audit Committee:

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

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) 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.

6) The Consent of the Board would be specific, a particular consent and not a general one. This consent should be separately obtained in relation to different contracts.

7) No consent can be accorded by a circular resolution. The resolution shall be passed at a meeting of the Board.

VI. PROCEDURES:

- I. All proposed Related Party Transactions shall be disclosed by the management to the Audit Committee of the Board for its approval prior to the Company entering into such a transaction.
- II. Related Party Transactions shall be reviewed by the Audit Committee to ensure a conflict of interest does not exist or that an improper valuation of such transaction is not made and that all information necessary to disclose such Related Party Transaction is properly documented.
- III. The Audit Committee shall have authority to investigate into any matter in relation to the approval or any subsequent modification of transactions of the Company with related parties or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- IV. After the approval of such transaction by the Audit Committee, the Board shall consider the matter and subject to such conditions, as it thinks fit, shall accord its consent by passing a resolution at the Board Meeting.

- V. Before the Company enters into a contract of the nature stated in the policy with any of its directors or with any other specified persons mentioned above, it must be approved by the Board in the form of a resolution at a Board Meeting.
- VI. The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-
- (a) the name of the related party and nature of relationship;
 - (b) the nature, duration of the contract and particulars of the contract or arrangement;
 - (c) the material terms of the contract or arrangement including the value, if any;
 - (d) any advance paid or received for the contract or arrangement, if any;
 - (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
 - (g) any other information relevant or important for the Board to take a decision on the proposed transaction.
- VII. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement. All related parties shall abstain from voting on such resolutions.

Note: All entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

- VIII. With reference to the Related Party Transactions mentioned in Clause VI (3), such contracts or arrangements with related party shall be entered into only with the prior approval of the shareholders through special resolution.

It shall be noted that related parties shall abstain from voting on such resolutions.

- IX. The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars namely:-

- (a) name of the related party;

- (b) name of the director or key managerial personnel who is related, if any;
- (c) nature of relationship;
- (d) nature, material terms, monetary value and particulars of the contract or arrangement;
- (e) any other information relevant or important for the members to take a decision on the proposed resolution.

- X. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- XI. Omnibus approvals given by Audit Committee shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

VII. EXEMPTIONS:

- i. Any advice, directions or instructions given in a professional capacity does not attract the provisions of Related Party Transactions.
- ii. The Company is not required to obtain consent of Audit Committee and Shareholder's approval for the transactions entered into between Technvision Ventures Limited and its wholly owned subsidiaries whose accounts are consolidated with Technvision Ventures Limited and placed before the shareholders at the general meeting for approval.

VIII. RPTs NOT APPROVED UNDER THIS POLICY:

If a RPT is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the RPT.

IX. AMENDMENT:

This Policy may be amended by the board at any time and is subject to the (i) amendments to the Companies Act, 2013 and (ii) further guidelines and enactments by the SEBI, including Listing Agreement.

X. DISCLOSURE:

Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report. This Policy will also be uploaded in the website of the Company at <http://www.technvision.com/> and will be disclosed in the Annual Report of the Company every year.

The Company will also disclose the details of all material Related Party on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under clause 49 of the Listing agreement.