

# **SATTVA HOLDING AND TRADING PRIVATE LIMITED**

## ***Policy on Related Party Transactions***

Approved by the Board of Directors at their meeting held on March 16, 2020

Last Review: March 29, 2023

## **1. PREAMBLE**

This Policy on Related Party Transactions includes materiality thresholds and the manner of dealing with Related Party Transactions ("the Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules there under and Regulation 53 and Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 [SEBI (LODR), 2015]. Amendments, from time to time, to the Policy, if any, shall be considered by the Audit Committee and the Board of Directors. This Policy applies to transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its stakeholders.

Sattva Holding and Trading Private Limited is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 and it has issued debt securities. Hence, it falls under the definition of Listed Company. Accordingly, provisions of Regulation 23 of SEBI (LODR), 2015 are not applicable to it. However, the regulations mandate the Company to provide the Related Party Disclosures in its Annual Report as prescribed under Part A of Schedule V of SEBI (LODR), 2015. Accordingly, the Company for this purpose has formulated this policy on related party transactions for ensuring fair and proper disclosures in this matter.

## **2. OBJECTIVE**

The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as stated in the PREAMBLE, mandates formulation of a policy on materiality of Related Party Transactions and also on dealings with Related Party Transactions. This Policy has been framed for complying with this requirement.

## **3. DEFINITIONS**

3.1 "Act" means Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

3.2 "Arm's Length basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm's Length basis, guidance may be taken from the transfer pricing provisions under the IncomeTax Act, 1961.

3.3 "Board of Directors" or "Board" means the Board of Directors of the Company.

3.4 "Company" means Sattva Holding and Trading Private Limited.

3.6 "Key Managerial Personnel" means the Key Managerial Personnel of the Company in terms of the Act.

3.7 "Listing Regulations" means the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

3.8 "Material Related Party Transaction" means a Related Party Transaction which exceeds the limits as prescribed under Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

3.9 "Policy" means the current Policy on Related Party Transactions, including amendments, if any, from time to time.

3.10 "Related Party" means a related party as defined under the Act and as amended from time to time.

3.11 "Related Party Transaction" means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

3.12 "Relative" means a relative as defined under the Act.

3.13 "Transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

#### **4. POLICY**

All Related Party Transactions must be reported to the Audit Committee followed by the Board and approved by them based on this Policy.

##### **4.1. Identification of potential Related Party Transactions**

**4.1.1. Sattva Group Companies:** The immediate Holding Company, Ultimate Holding Company and all subsidiaries and fellow subsidiaries of Sattva Holding and Trading Private Limited shall be considered as Related Parties.

**4.1.2. Key Managerial Personnel and connected Related Parties:** Each Director and Key Managerial Personnel shall at the beginning of financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding company/ies or their relatives.

**4.1.3 The Company will identify the potential transactions with the Related Parties.**

##### **4.2 Review and approval of Related Party Transactions**

**Note: Appointment of mandatory Committees under the provisions of Listing Regulations and the Act are not applicable to the Company.**

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee followed by the Board whether at a meeting or by resolutions by circulation. However, the Audit Committee and Board may grant prior omnibus approval for Related Party Transactions 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 Companies Act, 2013.

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

To review a Related Party Transaction, the Audit Committee and Board shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Regulations. While considering any Related Party Transaction, the Audit Committee and Board 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 whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

This Policy shall be reviewed by the Audit Committee followed by the Board of Directors at least once every three years and updated accordingly.

#### **5. SHAREHOLDERS:**

All the Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and no related party shall vote to approve 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 ordinary resolution if so required under any law and no related party shall vote to approve such resolutions.

The term 'related party', in this context refers only to such related party as may be a related party in the context of the contractor arrangement for which the said resolution is being passed.

#### **6. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED:**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee and Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification. The Audit Committee, Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the said Committee and Board deems appropriate under the circumstances.

#### **7. DISCLOSURES:**

Details of the Related Party Transactions shall be disclosed in the Annual Report of the Company in the format as prescribed under Part A of Schedule V of SEBI (LODR), 2015 and Section 134 of the Companies Act read with the Companies (Accounts) Rules, 2014.

The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report.

#### **8. AMENDMENT IN LAW:**

Any subsequent amendment/ modification in the Listing Regulations and/or applicable laws in this regard shall automatically apply to this Policy.

**THRESHOLD LIMITS FOR RELATED PARTY TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS AND ON ARMS-LENGTH BASIS**

The Audit Committee of the Board provides Omnibus Approval for the transactions to be entered by the Company with any of its Related Party in accordance with the applicable provisions of the Companies Act, 2013, SEBI (LODR), 2015 and Master Directions of Reserve Bank of India for Core Investment Companies, to be read with relevant rules and regulations.

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