

POLICY FOR CONSIDERATION AND APPROVAL OF RELATED PARTY TRANSACTIONS

1. Introduction

Nava Bharat Ventures Limited (hereinafter referred to as “NBVL” or “The Company”) recognizes that Related Party Transactions (as defined below) may have potential or actual conflict of interest and may raise questions whether such transactions are consistent with the Company and its shareholders’ best interests and in compliance to the provisions of the Companies Act, 2013 and Regulation 23 of LODR.

1.1 About the company

Nava Bharat Ventures Limited, the flagship company of the Nava Bharat group, operates within different product-geography segments in the business verticals of power generation, ferro alloys, mining and agribusiness. The Company has a distributed asset base spread over India, South East Asia and Africa. The global headquarters of the Company are located at Hyderabad, India.

1.2 Scope and purpose of the policy

The Board of Directors of the Company adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee will review and may amend the policy as and when required subject to the approval of the Board.

The objective of this policy is to regulate transactions between the Company and its Related Parties as determined according to the Companies Act, 2013, LODR and any other Laws and Regulations as may be applicable to the Company.

2. Definitions

2.1 Act: “Act” means the Companies Act, 2013 including any amendment or modification thereof.

2.2 Audit Committee

“Audit Committee” means the Committee of the Board formed under section 177 of the Act and Reg.18 of the LODR.

2.3 LODR means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into force on 1st December 2015.

2.4 Company

“Company” means Nava Bharat Ventures Limited.

2.5 Director

“Director” means a person as defined in Section 2(34) of the Companies Act, 2013.

2.6 Material Related party Transactions

“Material Related Party Transactions” shall mean a transaction defined as material in explanation below Reg. 23 of the LODR, viz.,

A transaction with a related party shall be considered material if the transaction(s) 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.”

and any other Law or Regulation including any amendment or modification thereof, as may be applicable.

2.7 Relative

“Relative” mean persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

2.8 Related party

“Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act, Rules, Clarifications and Reg. 2(zb) of the LODR and any modifications thereof.

2.9 Related party transactions

“Related Party Transactions” shall mean such transactions as specified in Section 188 of the Act or Rules made thereunder and as specified in Reg. 2(zc) of the LODR, including any amendment or modification thereof, as may be applicable viz.,

a transfer of resources, services or obligations between a listed entity and a related party, 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:

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR, Securities Contract Regulation Act or any other applicable Law or Regulation.

3. Any transaction with a Related Party is to be in compliance with Sec.188 of the Companies Act, 2013, Rules 6A and 15 of Companies (Meetings of Board and its Powers) Rules 2014 and Reg. 23 of LODR.
 - 1) All related party transactions shall require prior approval of the audit committee.
 - 2) The Audit Committee may grant omnibus approval for related party transactions to be entered into by the listed entity;

- 3) All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

4. Consequences of non-compliance of such policy for any Related Party Transactions

Non-compliance of this Policy may lead to initiation of disciplinary proceedings against the employee. Details of such disciplinary proceedings will form part of the personal file of such employee and will be considered as a default on his or her key responsibilities.

The aforesaid disciplinary action would be in addition to the prescribed penal consequences under Companies Act, 2013, LODR and Securities Contract Regulation Act, 1956 or the Employee Standing Orders of the Company.

This Policy was reviewed by the Board of Directors and modified on 30th May 2016 in the light of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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