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**UNIVASTU**  
INDIA LTD

## **Policy for Dealing with Related Party Transactions**

## **OBJECTIVE:**

The Board of Directors (the "Board") of UNIVASTU INDIA LTD (the "Company"), acting upon the recommendation of its Audit Committee has adopted the following policy (the "policy") and procedures with regard to Related Party Transactions ("RPT"). The Audit Committee shall review and may amend this policy from time to time. This policy is framed as per requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations")

The objective of this policy and procedure is to ensure that transactions between the Company and its related parties are based on principles of transparency and arm's length pricing. Likewise, this policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

## **DEFINITIONS:**

1. "Audit Committee" means Committee of Board of Directors of the Company constituted under provisions of the SEBI Listing Regulations.

2. "Related Party" shall mean a person or entity that is related to the company as defined under Section 2(76) of the Companies Act, 2013 or under Regulation 2. (1)(zb) of the SEBI Listing Regulations as may be amended from time to time.

**(Provided that any person or entity belonging to promoter or promoter group of the Company and holding 20% or more of the shareholding of the Company shall be deemed to be a related party)**

**Provided that:**

**a. any person or entity forming a part of the promoter or promoter group of the listed entity; or**

**b. any person or entity holding equity shares;**

**i. of twenty percent (20%) or more;**

**ii. of ten percent (10%) or more with effect from 1<sup>st</sup> April, 2023;**

**in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.**

3. "Related Party Transaction" shall mean all transactions as per Regulation 2. (1)(zc) of the SEBI Listing Regulations as may be amended from time to time.

**"related party transaction" means means 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**

***"related party transaction" means a transaction involving a transfer of resources, services or obligations between:***

***1. a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or***

***any of its subsidiaries on the other hand; or***

***II. a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;***

***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:***

***Provided that the following shall not be a related party transaction:***

***a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;***

***b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:***

- 1. payment of dividend;***
- 2. subdivision or consolidation of securities;***
- 3. issuance of securities by way of a rights issue or a bonus issue; and***
- 4. buy-back of securities***

**4. “Material related party transaction” means as defined in Regulation 23 of SEBI LODR**

***a) 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 rupees one thousand crore or ten percent (10%) of the annual consolidated turnover as per the last audited financial statements of the Company whichever is lower.***

***b) In respect of payments to related party for brand usage or royalty, transactions shall be construed as material if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent (5%) of the annual consolidated turnover as per the last audited financial statements of the Company.***

“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:**

All Related Party Transactions must be referred to the Audit Committee for approval in accordance with this Policy.

***I. The Company shall not enter into any related party transactions and subsequent material modifications without the prior approval of the Audit Committee of the Company unless the transaction /contract/ arrangement enjoys any exemption as provided under the Companies Act, 2013 or Rules made there under or under the provisions of the SEBI ( Listing Obligations and Disclosure Requirements) 2015.***

***Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. w.e.f. 1st January 2022.***

**Provided further that:**

**a) the audit committee of the Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;**

**Material Modification shall mean and include any modification/ alteration or variation in relation to any increase or decrease in the value of the transaction/s ( except arising out of change in relation to any statutory taxes) or period of contract or any term which has direct or indirect impact on cost, quality or delivery against the agreed terms in relating to any existing related party transaction/s,**

**b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent (10%) of the annual consolidated turnover, as per the last audited financial statements of the listed entity;**

**c) with effect from 1st April 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;**

**II. The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the company, subject to the conditions as stated under Regulation 23 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Such approvals shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of every financial year.**

**III. All material related party transactions and subsequent Material Modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:**

**IV. The related party transactions/ material related party transactions between:**

**I. The Company and its Wholly Owned Subsidiaries whose accounts are consolidated with Company and placed before the shareholders at general meeting for approval**

**II. The transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.**

**do not require prior approval of audit committee, omnibus approval and/or approval of shareholders.**

## **IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS:**

A Related Party will be brought to the attention of the Management and the Board/Audit Committee attention by the Legal and Secretarial Department at least on an annual basis. The Legal and Secretarial Department needs to inform any change in the Related Party List to Functional teams of the Company to identify the Related Party Transactions.

### **Procedure for Approval of Related Party Transactions**

#### **1. Approval of the Audit Committee**

11 Prior approval of the Audit Committee will be required for all related party transactions except for transactions entered into, between the holding company and its wholly owned subsidiaries.

12 Approval of the Audit Committee will be required for all other related party transactions.

13 The Audit Committee may grant omnibus approval for transactions (except for transactions in respect of selling and disposing of the undertaking of the company) with related parties which are repetitive in nature based on the criteria approved by the Board of Directors of the Company.

14 The audit Committee shall 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.

15 The Committee has to ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interests of the company.

16 The Audit Committee may grant omnibus approval for a proposed related party transaction subject to the following conditions:

a. The Audit Committee shall lay down the criteria for granting omnibus approval in line with the criteria specified by the board and the Policy for Related Party Transactions of the company and such approval shall be applicable to transactions which are repetitive in nature; the format for seeking prior approval of the audit committee is attached. (Refer Annexure - I)

b. The Audit Committee shall satisfy itself of the need for such omnibus approval and that the said approval is in the interest of the company.

c. Where the need for related party transaction cannot be foreseen and the specific details of the transaction are not available, the Audit Committee may make omnibus approval for such transactions upto a limit of Rs. 1 crore per transaction.

d. Such omnibus approval shall be valid for a maximum one financial year and will require fresh approval after expiry of the financial year.

17 All related party transactions, including those with subsidiary companies, will be placed before the Audit Committee at least quarterly as per format attached (Refer Annexure II).

18 It is not the responsibility of the Audit Committee to determine if there is need to do a transaction with a related party. The selection of a related party in reference to others is at the discretion of the management and/or the board of directors. The Audit Committee's responsibility is to satisfy itself that the terms of such transactions are at arm's length.

19 The Audit Committee will have the discretion to refer any matter relating to the related party transaction(s) to the board for its opinion.

## 2. Approval of the Board of Directors

21 As per the provisions of Section 188 of the Act, all related party transactions specified under the said section and which are not in the ordinary course of business or are not at arm's length are required to be placed before the Board for its approval.

22 All related party transactions will be intimated to all independent directors after approval by the Audit Committee or Board.

23 Transactions intended to be placed before the shareholders for their approval shall first be considered by the Board.

## 3. Approval of the Shareholders of the Company

31 All transactions with a single related party during a financial year aggregating to over 10% of the last annual consolidated turnover of the Company will require prior approval of shareholders through resolution.

32 All material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

33 Transaction involving payments made to a related party with respect to **brand usage or royalty** shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed **two percent** of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

34 In addition to the above, the following transactions which are not in the ordinary course of business or are not at arm's length shall require approval by shareholders by way of a resolution.

**All related party transactions beyond the threshold limits as mentioned below shall be considered as material transactions and require prior approval of the shareholders and entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to particular transaction or not.**

Details of transactions to be entered individually or taken together during a financial year	Minimum threshold requiring Shareholder Approval			
	Annual Turnover exceeding	Net Worth exceeding	Value of transaction(s) exceeding	Criteria
Sale, purchase or supply of any goods or material directly or through appointment of agent	10%			
Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agent		10%		
Leasing of property of any kind	10%			
Availing or rendering of any services directly or through appointment of agent	10%			
Appointment to any office or place of profit in the company, its subsidiary companies or associate companies at a monthly remuneration			Remuneration Rs. 2.5 Lac per month	
Remuneration for underwriting the subscription of any security or derivatives thereof of the company		1%		

The approval of shareholders will not be required for transactions entered into between the holding company and its wholly owned subsidiaries.

35 The turnover or net worth shall be on the basis of the company's audited financial statements for the preceding financial year.

#### 4. **Disclosures and Reporting**

41 Details of related party transactions during each quarter shall be placed in the Audit Committee for approval, review or noting as the case may be.

42 The Directors report shall contain details of related party transactions as required under the Act.

43 This policy shall be communicated to all concerned employees and related parties





Sr. No.	Name of the Related Party	Nature of duration of the contract or Arrangement	Amount	Material terms* of the contract including	The manner of determining the pricing and other commercial Terms	Any other relevant information pertaining to the

### **General Guidance for approval of Related Party Transactions**

The Audit Committee shall be provided with the relevant information of Related Party Transactions in accordance with the requirements of the Companies Act, 2013, the Rules made thereunder and the SEBI Listing Regulations, as amended from time to time or as requested by the Audit Committee. Where a Board approval is required, the information required under the Companies Act, 2013, the Rules made thereunder and the SEBI Listing Regulations, as amended from time to time shall be provided.

In determining whether to approve a Related Party Transaction, the Audit Committee shall consider (among other aspects it deems relevant), if there are clearly demonstrable reasons from the Company's business point of view, to enter into a transaction with a Related Party.

### **DECISION REGARDING TRANSACTION IN ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH**

The Audit Committee or the Board shall after considering the materials placed before them judge if the transaction is in the ordinary course of business and meets the arm's length requirements.

### **OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS**

The Audit Committee grants omnibus approval for recurring transactions with related parties. The Audit Committee would review on a quarterly basis the aforesaid Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. The approval is valid for a period of one year.

### **RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee. In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.