

SAVEN TECHNOLOGIES LIMITED

**POLICY ON RELATED PARTY
TRANSACTIONS**

POLICY ON RELATED PARTY TRANSACTIONS

1. OBJECTIVE

The Board of Directors (the “Board”) of the Company has adopted the following policy and procedures with regard to Related Party Transactions. This policy is to govern transactions between the Company and its Related Parties based on the laws and regulations that are applicable to the Company.

2. PURPOSE

The Company is listed on the Bombay Stock Exchange. This policy is framed as per requirement of Regulation 23 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 entered by the Company with the Stock Exchange and intended to ensure the proper approval and reporting of related party transactions. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. DEFINITIONS

“**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.

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of Saven Technologies Limited, from time to time, under Section 177 of the Companies Act, 2013 and the SEBI(Listing Regulations and Disclosure Requirements) Regulations, 2015.

“**Board of Directors**” or “**Board**” means the Board of Directors of Saven Technologies Limited, as constituted from time to time.

“**Company**” means Saven Technologies Limited.

“**Key Managerial Personnel**” means the Managing Director, the Company Secretary, the Chief Financial Officer and such other officers/employees of the Company as defined in section 2(51) of the Companies Act, 2013.

“**Material Related Party Transaction**” means 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 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

A 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 five percent of

the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“**Policy**” means Policy on Related Party Transactions.

“**Related Party**”, means—

(A) With reference to the Company:

- (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 or his relative is a member or director;
- (v) a public company in which a director or manager and holds is a director or holds along with his relatives, more than two per cent. 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—
 - 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; an investing company or the venturer of the company;"

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) such other person as may be prescribed;

(B) Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions as defined in the Accounting Standard 18 or such other entity/entities as may defined in the applicable accounting standard from time to time.

(C) (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
(b) any person or any entity, holding equity shares:

- (i) of twenty per cent or more; or
- (ii) of ten per cent or more, with effect from April 1, 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 immediate preceding financial year; shall be deemed to be a related party.”

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

“**Relative**”, with reference to any person, means anyone who is related to another, if—

- (a) they are members of a Hindu Undivided Family;
- (b) they are husband and wife; or
- (c) A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-
 - i. Father (includes step-father).
 - ii. Mother (includes the step-mother).
 - iii. Son (includes the step-son).
 - iv. Son’s wife.
 - v. Daughter.
 - vi. Daughter’s husband.
 - vii. Brother (includes the step-brother)
 - viii. Sister (includes the step-sister).

“**Related party transaction**” is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, including:

- (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;
- (h) a transaction involving a transfer of resources, services or obligations between:
 - (i) 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:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);”

“Subsidiary” shall mean a subsidiary as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Transaction" with a related party shall be construed to include 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, SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Accounting Standard 18/ applicable Accounting Standard or any other applicable regulation.

4. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Every Director and Key Managerial Personnel shall, as may be applicable to them, provide a declaration containing the necessary details of related parties covered in the definition of related party and relatives of related parties upon their appointment and on an annual basis. Also, provide declarations if there has been a change in the details from the last declaration made under this policy.

The Chief Financial Officer and the Executive Director/ CEO are jointly responsible in identifying the potential related party transactions and provide necessary information in advance to the Company Secretary for initiating the process to obtain the necessary approvals of the Audit Committee/Board/Shareholders. Further, the Chief Financial Officer and the Executive Director /CEO are responsible for providing additional information about transaction that the Board / Audit Committee may request, for being placed before the Audit Committee / Board.

5. DEALING WITH RELATED PARTY TRANSACTIONS

The Board shall fulfill the function of monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

The Company shall comply with applicable provisions of the Companies Act, 2013, Rules made there under, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable law in force from time to time in dealing with the Related Party Transactions.

6. APPROVAL PROCESS

6.1. Audit Committee

In respect of all related party transactions and subsequent material modifications shall require prior approval of the Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. Accordingly, all proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee.

The Executive Director/ CEO of the Company shall provide to the Committee all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) the name of the related party and nature of relationship;
- (ii) the nature, duration of the contract and particulars of the contract or arrangement;
- (iii) the material terms of the contract or arrangement including the value, if any;
- (iv) any advance paid or received for the contract or arrangement, if any;
- (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (vi) 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;
- (vii) the persons/authority approving the transaction; and
- (viii) any other information relevant or important for the Committee to take a decision on the proposed transaction.

In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

- (ii) Whether the Related Party Transaction would affect the independence of the Director/KMP;
- (iii) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- (iv) Whether the Related Party Transaction is in the nature of conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the Directors, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

Subject to the provisions of the applicable laws the Audit Committee will have the discretion to approve/modify/recommend/refer the proposed related party transaction for the approval of Board of Directors or Shareholders.

And, in the event such transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

Subject to the provisions of applicable laws from time to time, in exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) of Regulation 23 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:

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified under the sub-regulation of Reg 23 shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

The provisions of sub-regulations (2), (3) and (4) of Reg 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall not be applicable in the following cases:

- (a) transactions entered into between two government companies;
- (b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (c) 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.

Explanation. - For the purpose of clause (a), "government company(ies)" means Government company as defined in sub-section (45) of section 2 of the Companies Act, 2013.

6.2 Omnibus approval

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

- (i) 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.
- (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- (iii) 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;
- (iv) 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.
- (v) Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.
- (vi) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

6.3 According to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

Information to be reviewed by the Audit Committee for approval of RPTs

1. The company shall provide the following information, for review of the audit committee for approval of a proposed RPT

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant

2. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

6.4. Board

The consent of the Board of Directors is required by a resolution at a meeting of the Board for entering into any contract or arrangement with a related party with respect to the transactions defined in the related party transaction.

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.

6.5. Shareholders

Transactions not in ordinary course of business or not at arm's length

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require the prior approval of the shareholders through special resolution and no member of the company shall vote on such special resolution, if such member is a related party.

Material Related Party Transaction

All Material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

6.6 According to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

Information to be provided to shareholders for consideration of RPTs

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f); (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

7. EXEMPTION FROM APPLICABILITY OF THE POLICY

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this policy shall not apply to the following Related Party Transactions:

- (i) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

- (ii) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (iii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

8. DISCLOSURE

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company will make disclosures in compliance with the Accounting Standards and other applicable law on "Related Party Disclosures" in its Annual Report.

The policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report of the Company.

The company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website:

Provided that a 'high value debt listed entity' shall submit such disclosures along with its standalone financial results for the half year:

Provided further that the company shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results:

Provided further that the listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023."

Provided that a 'high value debt listed entity' shall submit such disclosures along with its standalone financial results for the half year.

9. POLICY REVIEW

The Audit Committee/ Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy. In the event of any conflict between the provisions of this policy and of the applicable law dealing with the related party transactions, such applicable law in force from time to time shall prevail over this policy.
