



**SANGHVI MOVERS LIMITED**  
**POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY**  
**TRANSACTIONS**

**I. TITLE:**

This Policy shall be called 'Related Party Transaction Policy on materiality and dealing with related party transactions'.

**II. COMMENCEMENT:**

The Policy shall come in to existence upon the approval by the Board of Directors of Sanghvi Movers Limited i.e. with effect from 10<sup>th</sup> February 2015.

**III. OBJECTIVE**

The objective of this Policy is to regulate the transactions between the Company and its Related Parties in compliance with the requirements of Section 188 of the Companies Act, 2013 read with the Rules framed there under and Clause 49 of the Equity Listing Agreement (as amended by the Securities and Exchange Board of India from time to time) entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (together know as "stock exchanges").

Also, Clause 49(VII)(C) of the Equity Listing Agreement requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

**IV. SCOPE**

This Policy shall apply to all the Related Party Transactions as defined under the definition clause below.

**V. DEFINITIONS**

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

**"Audit Committee" or "Committee"** means Committee of Board of Directors of Sanghvi Movers Limited constituted under provisions of the Equity Listing Agreement and the Act.

**"Board"** means Board of Directors of Sanghvi Movers Limited.

**Company"** means Sanghvi Movers Limited.

**Listing Agreement"** means the Equity Listing Agreement entered into by the Company with the stock exchanges.

**"Clause 49"** means the Clause no. 49 of the Listing Agreement.



**“Related Party”** means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Clause 49(VII)(B) of the Listing Agreement.

**“Related party transaction (RPT)”** is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged, including but not limited to the following:

- (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) appointment of any related party to any office or place of profit in the company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the Company.

A transaction shall be construed to include a single transaction or a group of transactions in a contract.

**“Material Related Party Transaction”** means a transaction with a related party 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 its last audited financial statements.

**“Policy”** means the policy on materiality and dealing with Related Party Transactions of the Company.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Listing Agreement with the stock exchanges.

## **VI. PROCEDURE FOR ENTERING INTO RPTs**

### **A. Role of the Audit Committee (AC)**

1. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to the related party transactions.
2. All RPTs shall require prior approval of the AC. Approvals may be of the following two types:
  - a. Specific approval, in case of each RPT, where the RPT is non-repetitive in nature; and
  - b. Omnibus approval, in case of such RPTs which are repetitive in nature. However such omnibus approval must be given by the AC subject to the requirements under Clause 49(VII)(D) and the criteria laid down



by the AC with respect to granting of the omnibus approval and also review the same in accordance with that clause.

3. The omnibus approval should be in accordance with the permissible limits.
4. Any modification in the RPT to which the AC had previously given its approval, shall not be given effect to without the approval of the AC.
5. The AC shall review the significant RPTs submitted by the management to it.

#### **B. Role of the Board of Directors of the Company ('Board')**

1. The Board must monitor and manage any potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in RPTs.
2. The Board must comply with the provisions of the Companies Act, 2013, with respect to the RPTs within the meaning of that Act.
3. The Board must coordinate with the AC for effective compliance of the provisions relating to the RPT.
4. It is the duty of the Board along with the AC to place all the material RPTs before the shareholders for their approval by means of a special resolution.

#### **C. Role of Shareholders**

1. All the material RPTs within the meaning of Clause 49 shall require approval of the shareholders of the Company through special resolution.
2. If a related party is a party to any material RPT, then such related party shall abstain from voting on the resolution with respect to such material RPT.
3. All the RPTs within the meaning and as specified in the relevant provisions of the Act, which requires shareholders approval, must only be entered into with the approval of the shareholders along with other requirements specified under the relevant provisions.

### **VII. DISCLOSURE**

- A. Details of all material RPTs shall be disclosed quarterly along with the compliance report on corporate governance.
- B. The Company shall display this Policy on its website and a web link thereto will be provided in its every annual report.



- C. Disclosure with regard to the RPTs must also be made in accordance with the provisions of the Act.

#### **VIII. AMENDMENT**

- A. The Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of Companies Act, 2013, including rules thereof and / or the provisions of the Listing Agreement.
- B. In case of any subsequent changes in the provisions of the Act, the Listing Agreement or any other regulations, which makes any of the provisions in the Policy inconsistent with the Act, Listing Agreement or regulations, the provisions of the Act, Listing Agreement or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

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