



# NEWEVER TRADE WINGS LIMITED

CIN : L74999WB2012PLC181106

## **POLICY ON RELATED PARTY TRANSACTION**

### **PREAMBLE**

The Board of Directors (the "Board") of Newever Trade Wings Limited (the "Company") has adopted the policy on Related Party Transaction in compliance with the provision of Section 188 of the Companies Act, 2013 and Rule 6A of the Company (Meeting of Board and its Power) Rule 2013. This policy is to regulate transaction between the Company and its related parties based on the laws and regulations applicable on the Company and also provides for materiality of related party transactions.

### **PURPOSE**

This policy is intended to ensure the governance and reporting of transactions between the Company and its Related Parties.

### **APPLICABILITY**

This policy applies to all kind of contracts, arrangements or transactions by the Company with Related Parties.

### **DEFINITIONS**

**"Arms Length Transaction"** means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

**"Audit Committee/Committee"** means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013.

**"Board"** means Board of Directors of the Company.

**"Control"** means control as defined in Section 2 (27) of the Companies Act, 2013 and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**"Key Managerial Personnel"** (as defined in Section 2(51) of the Companies Act, 2013), in relation to the Company, means –

- i. Chief Executive Officer or the Managing Director or the Manager
- ii. Company Secretary
- iii. Whole Time Director
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed.

**"Policy"** means Related Party Transaction Policy.

**"Material Related Party Transactions"** means transaction/transactions with the related party 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."

**"Related Party"** as defined under Companies Act, 2013.

An entity shall be considered as related to the Company if :

- (i) Such entity is a related party under section 2 (76) of the Companies Act, 2013; or
- (ii) Such entity is a related party under the applicable accounting standards.





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Section 2(76) of the Companies Act, 2013, as referred above, defines Related Party as —

- 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 is a member or director;
- v. A public company in which a director or manager is a director and 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; [Except advice, directions or instructions given in a professional capacity]
- vii. Any person on whose advice, directions or instructions a director or manager is accustomed to act.[Except advice, directions or instructions given in a professional capacity]
- viii. Any company which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary.
- ix. A director other than an Independent Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company.

“Relative” as per section 2 (77) of the Companies Act, 2013, with reference to any person, shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:-

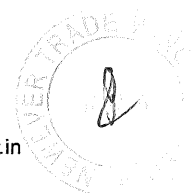
- i. Father, includes step-father
- ii. Mother, includes step-mother
- iii. Son, includes step-son
- iv. Son’s wife
- v. Daughter
- vi. Daughter’s husband
- vii. Brother, includes step-brother
- viii. Sister, includes step-sister
- ix. Are members of a Hindu Undivided Family
- x. They are Husband or wife

“Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

### REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

#### **A. Audit Committee**

- i. All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.
- ii. Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm’s length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.
- iii. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Rule 6A of the Company (Meeting of Board and its Power) Rule 2013 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- iv. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party





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transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

- v. A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

### B. Board of Directors

In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

### C. Shareholders

If a related party transaction is (i) a material transaction or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a related party shall not vote on resolution passed for approving such related party transaction.

### D. Reporting of related party transactions

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

### Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the, Act and/or applicable laws in this regard shall automatically apply to this Policy.