

LatentView Analytics Limited
Related Party Transaction Policy

Preamble

LatentView Analytics Limited (the “Company or “LatentView) is committed to upholding the highest level of ethical and legal conduct in fulfilling its responsibilities. A ‘Related Party Transaction’ may be a cause of actual or perceived conflicts of interest(s) of the Directors, Senior Management, Associates, Organization(s) where Company has management control, etc. vis-a-vis with the interest of the Company.

The Board of Directors (“the Board”) of LatentView, has adopted the following Policy and procedure in relation to Related Party Transactions. The Policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Law and Regulation.

This Policy will be applicable to the Company to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

Purpose

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and in terms of Section 188 of the Companies Act, 2013 (the Act) and is intended to ensure proper approval, disclosure, and reporting requirements of transactions between the Company and its Related Parties.

The Audit Committee and the Board will review the Policy at least once every three years and may update the Policy accordingly.

The Company is required to disclose each year in the Financial Statements and in the Annual Report transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act, 2013 and the Rules thereunder and the Listing Regulations, as amended from time to time.

Transactions Covered under this Policy

All transactions falling within the definition of ‘Related Party Transactions’ as provided under Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure

Requirement) Regulations, 2015 shall be covered under this Policy.

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.

“Associate Company” means a company in which LatentView has a significant influence, but which is not a subsidiary company of LatentView and includes a joint venture company. Explanation. “significant influence” means control of at least twenty percent of total share capital, or of business decisions under an agreement. Total Share Capital means the aggregate of the paid-up Equity Share capital and Convertible Preference Share capital.

“Board” means the Board of Directors of LatentView Analytics Limited, the Company

“Control” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

“Key Managerial Personnel” includes (i) the Chairman; (ii) the Whole-time Director; (iii) The Chief Executive Officer (iv) the Chief Financial Officer (v) the Company Secretary.

Related Party will have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1) (zb) of the Listing Regulations.

Relative in relation to a Related Party shall have the same meaning as defined under Section 2(77) of the Act.

Related Party Transaction shall have the meaning as defined under Regulation 2(1) (zc) of the SEBI Listing Regulations and as envisaged in Section 188(1) of the Act.

Ordinary Course of Business

The term transaction in the ordinary course of business has not been defined under the Act or the Listing Regulations. But the International Standard on Auditing (ISA) 550 listed certain examples of transactions outside the entity normal course of business. Such examples have been listed out below: -

- Complex equity transactions, such as corporate restructurings or acquisitions.

- Transactions with offshore entities in jurisdictions with weak corporate laws.
- The leasing of premises or the rendering of management services by the entity to another party if no consideration is exchanged.
- Sales transactions with unusually large discounts or returns.
- Transactions with circular arrangements, for example, sales with a commitment to repurchase.
- Transactions under contracts whose terms are changed before expiry.

The transaction/ activity may be treated as under ordinary course of business, in case it satisfies one or more of following factors:

- If the activity is covered in the object's clause of the MOA.
- If the activity is in furtherance of the business.
- If the activity is normal or otherwise routine for the business.
- If the activity is repetitive/frequent.
- If the income earned from such activity is treated as business income in the company's books of accounts.
- If the transactions are common in the industry and/or a standard industry practice.

Material Related Party Transactions

Material related party transactions shall have the same meaning as defined under Regulation 23 of the Listing Regulations.

Materiality Threshold

Regulation 23 of the Listing Regulations requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a special resolution.

Contracts / Arrangements with related party shall be considered as "material related party contracts/Arrangements if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts/Arrangements exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements or such as may be prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

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 Company as per the last audited financial statements of the Company or as may be amended by SEBI from time to time.

Identification of Related Parties

- Each Director and Key Management Personnel shall disclose in Form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all the persons, entities in which he or she is interested, whether directly or indirectly.
- Each director and Key Management Personnel shall provide declaration, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made of:
 - its relatives
 - firms in which such Director/ Manager or his relative is a partner
 - private Companies in which a Director or Manager or his relative is a member or director
 - public companies in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid-up share capital
- The Compliance Officer shall
 - Basis the declaration of directors and KMPs, identify and keep on record in the form of an updated database the information pertaining to Related Parties, along with their personal/company details.
 - At the beginning of the financial year and on any subsequent changes, identify and maintain information in the database about the related parties within the LatentView Analytics group i.e., subsidiaries, joint ventures, associates, etc.
 - Update the database of Related Parties whenever necessary and review at least once a quarter.

Identification of Related Party Transactions

- Each Director, Key Managerial Personnel & Senior Management will be responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his or her relative.

- The compliance officer shall ensure that all Directors, Key Managerial Personnel and Senior Management make an annual declaration relating to all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the interest of the LatentView Analytics at large.
- The Compliance Officer would collate list of related party transactions as follows:
 - o Continuing RPTs as per the disclosure made in Company's financial statements.
 - o Transactions which are likely to be entered into with each related party and estimated value of such transactions before the beginning of each financial year to obtain necessary approvals in accordance with this Policy.

Procedure for approval and review of Related Party

Approvals

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. The Board on recommendations of Audit Committee will approve the threshold limits for Related Party Transactions and review the same time to time.

The Audit Committee duly empowered by the Board may grant an omnibus approval for certain Related Party Transactions, subject to the conditions as laid down under Regulation 23 of the Listing Regulations and section 177 of the Companies Act, 2013 and Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. The members who are independent directors in nature shall approve any/ all related party transactions of the company. The Audit Committee shall review, at least on quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each of the omnibus approval given by the Audit Committee.

SI No	Nature of Transactions	Approving Authority
1	All transactions with Related Parties	Independent Directors in the Audit Committee
2	Related Party Transactions as defined under Section 188 (1) of the Act, which are not in ordinary course of business OR not at arm's length	Board of Directors
3	All Material Related Party Transactions (regardless of whether they are in the ordinary course and/or on arm's length terms)	Board of Directors and shareholders of the Company

Audit Committee

- Unless otherwise permitted under applicable regulations, all the RPTs shall require prior approval of the Audit Committee.
- The management shall present the list of RPTs before the Audit Committee at the beginning of the year, the following information with respect to all RPT expected to be entered into during the financial year for its approval
 - i. Name of party
 - ii. Relationship with Related party
 - iii. Approximate rupee value and projected value of transactions
 - iv. Nature of transaction and material terms of transactions.
 - v. Supporting document
 - vi. Pricing of transaction and whether the same is on arm's length or not
 - vii. In the case of loan to be provided, the aggregate amount of loan and the rate of interest to be payable on such loans
 - viii. In the case of guarantees, the aggregate number of guarantees and the commission to be paid on such guarantee.
 - ix. Any other material information regarding the transactions or related party interest in the transaction
- Audit Committee shall be entitled to call for such additional information/ documents to understand the scope of the proposed related party transaction(s) and recommend an effective control system for the verification of the supporting documents.
- After reviewing the proposed related party transactions, the audit committee shall approve or disapprove such RPT.
- Only those members of the Audit Committee who are Independent Directors in nature shall approval all related party transactions.
- However, Non- Independent members in the committee may provide their dissent to the said transaction
- Where the need for related party transaction cannot be foreseen and the details thereof are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction. Such transactions shall also be reported to the Audit Committee on a quarterly basis.
- Where, owing to exigencies, Related Party Transactions have been entered into without being placed for prior approval by the Audit Committee, reasoned explanation for the same must be provided to the satisfaction of the Audit Committee. The Audit Committee may ratify such transactions or may put forth the transactions before the Board along with its recommendations and the Board may either ratify such transactions or seek to avoid the same.
- Quarterly information of all RPTs shall be placed by the Company for the review of Audit

Committee. The management shall submit a report to the Audit Committee providing a comparison between the approvals granted and the actual transactions

Board

- Related Party Transactions which are not in the ordinary course of business or not at arm's length price shall require prior approval of the Board.
- Material Related Party Transactions shall require prior approval of the Board.
- No member of the Audit Committee/ Board shall participate in the review or approval of any Related Party Transaction in which such member is interested and that the director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board.

Shareholders

- All Material Related Party Transactions shall require approval of the Shareholders of the Company by way of a resolution passed at the general meeting of the Company and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are more than the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution passed at the general meeting of the Company; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.
- If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, 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.

If approval of the Board / shareholders, where applicable, for entering a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Board / shareholders, if required, within 3 months of entering in the Related Party Transaction.

Factors / Guidelines for the Audit Committee and Board of Directors for approving the Related Party Transactions

In determining whether the approval can be provided to a Related Party Transaction, the following factors shall be considered:

- Whether the Related Party Transaction is in the ordinary course of business of the company.

- Whether the Related Party Transaction is on arm's length basis.
- Whether there are adequate reasons of business expediency for the Company to enter the Related Party Transaction, after comparing alternatives available, if any; Whether in case of RPT concerning the director or KMP, it is ensured that the concerned director is recused from participating in the said agenda item.
- Whether the proposed Related Party Transaction includes any potential reputational /regulatory risks that may arise because of or in connection with the proposed transaction.
- Whether the Related Party Transaction would present an improper conflict of interest for any director or key managerial personnel of the Corporation, considering the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of interest of the Related Party in the transaction and such other factors as the Audit Committee or Board of Directors deems relevant

Transactions which do not require approval

Notwithstanding anything else contained hereinabove, following transactions would be exempted from approval:

- Any transaction involving the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business by any director or KMP shall not require approval under this policy.
- Any transaction in which the Related Party's interest arises solely by way of ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party, or other pro rata interest of a Related Party included in a transaction involving generic interest of stakeholders involving one or more Related Parties as well as other parties.
- Any Material related party transactions entered 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 is exempted from obtaining approval of the shareholders.
- If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, 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.

Disclosures

- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- The particulars of contracts or arrangement with related parties referred in section 188(1) of

the Companies Act 2013 to be disclosed in the Directors Report in Form AOC-2.

- The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
- The Company shall disclose the policy on dealing with Related Party Transactions on its website and provide a web link of the same in the Annual Report.

Limitation & Amendment

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