



SURANA TELECOM AND POWER LIMITED

(CIN: L23209TG1989PLC010336)

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500051 IN

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

PREAMBLE AND OBJECTIVES

The Board of Directors ('the Board') of Surana Telecom Power Limited ('the Company') has adopted Related Party Transactions Policy ('this Policy') to set forth the procedures under which transactions with Related Parties and materiality thereof shall be ascertained and considered subsequently for approval.

The Company always been committed to best corporate governance practices and this Policy is prepared for ensuring compliance with the provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and such other regulatory provisions, as may be applicable.

In light of the above, the Company has framed this Policy to ensure high standards of Corporate Governance while dealing with related parties.

APPLICABILITY

This Policy applies to all Related Party Transactions entered into by the Company and this amended version as approved by the Board of Directors of the Company shall be applicable with immediate effect.

DEFINITIONS

"Material Modification" shall mean an amendment to the terms of a transaction / agreement / commitment with / to a Related Party, the effect of which will be an increase of 20% or more of the approved limit for a transaction as approved by the Audit Committee / Board / Shareholders, as the case may be.

Further, all terms used in this Policy will have the meanings as assigned to them under the Act and the Rules made thereunder, SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time.

POLICY ON RELATED PARTY TRANSACTION

1. The Company shall not enter into any transaction/contract/ arrangement or any subsequent material modification thereof with a Related Party without the prior approval of the Audit Committee of the Company unless the transaction /contract/ arrangement / modification enjoys any exemption as provided under the Companies Act, 2013 or Rules made thereunder or under the SEBI Listing Regulations. Further, a related party transaction to which the subsidiary of a the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company 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 consolidated turnover, as per the last audited financial statements of the listed entity.

2. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company or its subsidiary, subject to the conditions as stated under the Companies Act, 2013 or Rules made thereunder or under the SEBI Listing Regulations.
3. In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Act and the Rules framed thereunder and SEBI Listing Regulations to obtain approval of the Audit Committee / Board or its shareholders, as applicable, for such transaction/ contract /arrangement / modification.

POLICY ON MATERIAL RELATED PARTY TRANSACTION

All Material Related Party Transactions and any subsequent material modification shall require prior approval of the shareholders through ordinary resolution. However, prior approval of shareholders of the Company shall not be required for such cases as may be prescribed under the Companies Act, 2013 or Rules made thereunder or SEBI Listing Regulations.

The explanatory statement for this purpose of such resolution should contain the particulars as stated under the Act or Rules made thereunder or SEBI Regulation and all applicable circulars and notifications issued thereunder.

THRESHOLD LIMITS FOR DEALING WITH RELATED PARTY TRANSACTIONS

Following transactions with a Related Party shall be construed as Material Related Party Transactions:

Sl. No.	Nature of transaction with a Related Party	Limits
1.	Sale, purchases or supply of any goods or material, directly or through appointment of agent	Exceeding Rupees 1000 Crore or amounting to 10% of the turnover of the Company, whichever is lower.*
2.	Leasing of property of any kind	
3.	Availing or rendering of any services, directly or through appointment of agent	
4.	Selling or otherwise disposing of, or buying property of any kind, directly or through appointment of agent	Exceeding Rupees 1000 Crore or 10% of the consolidated turnover of the Company or amounting to 10% of the net worth of the Company, whichever is lower.*
5.	Appointment of a Related Party to any office or place of profit in the Company, its Subsidiary Company or Associate Company	Exceeding Rupees 1000 Crore or 10% of the consolidated turnover of the Company or where monthly remuneration exceeds Rs. 2,50,000, whichever is lower.

6.	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company	Exceeding Rupees 1000 Crore or 10% of the consolidated turnover of the Company or 1% of the net worth of the Company, whichever is lower.
7.	A transaction involving payments made to a related party with respect to brand usage or royalty	Exceeding 5% of the consolidated turnover of the Company.*
8.	Any other related party transaction not covered above	Exceeding Rupees 1000 Crore or 10% of the consolidated turnover of the Company, whichever is lower.

* The limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

Note:

1. Threshold limit shall be determined per financial year basis.
2. Shareholders reserve the right to specify maximum permissible limit upto which a transaction with a respective related party may be carried out in a financial year, in the event whereof such permissible limit will be reckoned as threshold limit for the purpose of this policy.

Identification of Potential Related Party

All Related Parties shall be identified on the basis of the disclosures received from the Directors and Key Managerial Personnel of the Company or its subsidiaries. The names of all Related Parties shall be consolidated as a Related Party reference list and this list be amended from time to time and shall be progressively shared with the concerned departments and functional heads. The accounts department will tag the Related Party(ies) in the reporting system to generate periodic reports of RPTs recorded in the system.

Approval of Related Party Transactions

The Company strongly prefers to receive the notice of any potential Related Party Transaction well in advance so that the approving authority (Audit Committee/ Board/ Shareholders) has adequate time to obtain and review information about the proposed transaction.

DISCLOSURE

Disclosure will be made in the Company's Annual Report of the particulars of the transactions / contract / arrangement / modification along with the justification for entering into such transactions / contracts / arrangements / modifications with the Related Parties as a part of Board's Report. The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by SEBI from time to time, and publish the same on its website. This Policy will also be uploaded in the website of the Company and the web link will be provided in the Annual Report.

AMENDMENT

If the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until this Policy is changed to conform to the law, rule, regulation or standard and further this Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly based on the recommendations of the Audit Committee.
