

SURYA INDIA LIMITED

Regd. Office: B-1/H-3 Mohan Co-operative Indl. Estate, Mathura Road, New Delhi-44.

Tel: +91 11 45204115; **Fax:** +91 11 28898016; **Email:** cs@haldiram.com,

CIN- L74899DL1985PLC019991; **Website:** www.suryaindialtd

Policy

On

Materiality of Related Party

Transactions

And

On dealing with Related Party

Transactions

Of

Surya India Limited



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PREAMBLE

This Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transaction (“Policy”) is prepared and adopted to build a framework for the Related Party Transactions of **Surya India Limited** (the “Company”), in accordance with the requirement of Clause 49 of the Listing Agreement entered into between the Company and the Bombay Stock Exchange (“Stock Exchange”) read with section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with rules, notifications, circulars made thereunder; as amended from time to time. This Policy shall regulate the transactions between the Company and its Related Parties as per the requirements and disclosures under the applicable laws and regulations.

PURPOSE OF THE POLICY

Clause 49 of the Listing Agreement as effective from the 1st of October 2014 mandates that all listed companies formulate their policy on materiality of related party transactions and also on dealing with Related Party Transactions, to ensure the proper approval and reporting of transactions between the Company and its Related Parties. The Company is required to make various disclosures of its related party transactions before the Board/Shareholders as the case may be and also disclosure with respect to the same are required to be made in the Board Report, Financial Statement and other specified documents. This Policy is also prepared for the identification and regulation of the Related Party Transactions keeping in view the provisions of the Companies Act, 2013 and the Rules thereunder and the Listing Agreement.

DEFINITIONS

1. **Act** means Companies Act, 2013;
2. **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;
3. **Board** means the Board of directors of Surya India Limited;
4. **Committee** means the Audit committee as defined under the Companies Act, 2013 and the Listing Agreement;
5. **Key Managerial Personnel or KMP** means key managerial personnel as defined under the Companies Act, 2013 and includes:
 - (i) Managing Director, or Chief Executive Officer or manager and in their absence, a Whole-time director;
 - (ii) Company Secretary; and
 - (iii) Chief Financial Officer.



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6. **“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 five percent of the annual turnover or twenty percent of the Net Worth of the Company as per the last audited financial statements of the Company, whichever is higher;
7. **“Related Party transactions”** means Contract or arrangement as defined under section 188 of the Companies Act, 2013 and the rules made thereunder with a related party.
8. **Policy** means this Policy on materiality of related party transactions and also on dealing with Related Party Transactions;
9. **Rules** means the Company (Meetings of Board and Its Powers) Rules, 2014, amended from time to time;
10. **“Interested director”** means a director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which he or any of his relatives is a partner, director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a Company.
11. **Related Party** means related party as
 - An entity related to the company if:
 - such entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - such entity is a related party under the applicable Accounting Standards.
12. **Relative** means relative as defined under the Companies Act, 2013. A person shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:-
 - they are members of a Hindu undivided family;
 - they are husband and wife; or
 - Father (including step-father)
 - Mother (including step-mother)
 - Son (including step-son)
 - Son’s wife
 - Daughter
 - Daughter’s husband
 - Brother (including step-brother)
 - Sister (including step-sister)



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REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Approval of related party transactions

A. Audit Committee

- 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.
- 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.
- 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 clause 49 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.
- 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 transaction, the Committee has authority to modify or waive any procedural requirements of this policy.
- 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 as per clause 49, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain



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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. Transactions in ordinary course of the business

The approval of the Board and the shareholders will not be required if the transaction is in ordinary course and at arm's length & such transaction does not qualify the concept of materiality.

The approval of the audit committee will be required even if the transaction is in ordinary course and at arm's length & whether such transaction qualifies the concept of materiality.

All the potential Related Party Transactions shall be reviewed in detail by the Audit Committee. Audit Committee shall determine whether the said transaction is fair and is being carried out on an arm's length basis to the Company. It shall also consider whether the Committee was informed of the proposed transaction well in advance, and whether all the relevant information was disclosed or not, including no suppression of facts. Lastly, the Committee shall take note whether the Related Party Transaction would lead to an improper conflict of interest for any director or Key Managerial Personnel of the Company or any Related Party.

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

