



Policy on Materiality of Related Party Transactions and
Dealing with Related Party Transactions*

Owner:

Corporate Secretarial Department

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RPT Policy - 1.0

*The Policy, to the extent they are applicable to an un-listed public company, shall become applicable from the date of its approval by the Committee/Board, as the case may be. Post listing of the equity shares of the Company with the Stock Exchange(s), the policies would become fully applicable to the Company.

1 Introduction

1.1 Objective

Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder (“**Companies Act**”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“**LODR Regulations**”) require the companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the LODR Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

Accordingly, the board of directors (“Board”) of the Company has adopted the following policy with regard to related party transactions. The objective of this policy is to **establish and govern the procedure applicable to related party transactions** covered within the ambit of the Companies Act and LODR Regulations as amended from time to time. This policy is intended to apply to all transactions where the Company is a participant and the related party has or is expected to have, direct or indirect interest. The Audit Committee of the Company will review this policy on an annual basis and propose any modifications to the Board for approval.

1.2 Exclusions

In the context of this policy and in accordance with *Ind AS 24 – Related Party Disclosures*, the following are *not related parties*:

- a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
- b) two joint venturers simply because they share joint control of a joint venture.
- c) the entities listed as follows:
 - i. providers of finance,
 - ii. trade unions,
 - iii. public utilities, and
 - iv. departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
- d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

1.3 Definitions

The following terms are used in this Policy with the meanings specified as under:

- **Arm's Length Transaction: Arm's Length Transaction means** transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. In the absence of any guidance in the Act or the Rules made thereunder, evaluation done for arm's length under the transfer pricing guidelines in the Income Tax Act, 1961 may be used as a basis for determining whether a transaction is at arm's length price.
- **Audit Committee:** Audit Committee means the audit committee of the board of directors of the Company.
- **AC:** AC shall mean Audit Committee of the Company.
- **Board:** Board means the Board of directors of the Company.
- **Company :** Company shall mean Sterlite Power Transmission Limited;
- **Control:** Control shall include 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;
- **Joint Control:** Joint control shall mean the contractually agreed sharing of control over an economic activity.
- **Key Management Personnel (KMP):** Key managerial personnel in relation to a company, means—
 - i. the Chief Executive Officer or the managing director or the manager;
 - ii. the company secretary;
 - iii. the whole-time director;
 - iv. the Chief Financial Officer;
 - v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and
 - vi. any other officer having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
- **Materiality Related Party Transaction:** As set out on Annexure II.
- **Ordinary course of business:** Ordinary Course of Business with reference to a transaction with a related party means a transaction which is:
 - i. carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
 - ii. historical practice with a pattern of frequency;

- iii. common commercial practice; or
- iv. meets any other parameters / criteria as decided by the Board/Audit Committee, from time to time.

▪ **Related Party:** A related party, with reference to the Company, means:

- i. a director or his relative;
- ii. a key managerial personnel or his relative;;
- iii. a person or close member of the person's family that has control or joint control over the Company;
- iv. a person or close member of the person's family that has significant influence over the Company,
- v. a person or a close member of that person's family is a member of the key management personnel of the company or of a parent of the Company;
- vi. a firm, in which a director, manager or his relative is a partner;
- vii. a private company in which a director or manager is a member or director;
- viii. a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- ix. any body 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;
- x. any person on whose advice, directions or instructions a director or manager is accustomed to act;
- xi. such other person as may be prescribed;
- xii. An entity is related to a Company if any of the following conditions applies:
 - a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - c) both entities are joint ventures of the same third party.
 - d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - f) The entity is controlled or jointly controlled by a person identified in (iii), (iv) and (v) above.
 - g) a person identified in (iii) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

- h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

In the definition of a 'related party', an associate shall include subsidiaries of the associate and a joint venture shall include subsidiaries of the joint venture.

- **Related Party Transaction or "RPT":** A related party transaction shall mean a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.
- **Relative:** Relative means any person as per Section 2(77) of the Companies Act and rules prescribed there under and as per Regulation 2(1) (zd) of the LODR Regulations as amended from time to time, means anyone who is related to another, if
 - i. They are members of a Hindu Undivided Family; or
 - ii. They are husband or wife; or
 - iii. One person is related to the another in the following manner, namely:
 - (a) Father, includes step-father
 - (b) Mother, includes step-mother
 - (c) Son includes step-son
 - (d) Son's wife
 - (e) Daughter
 - (f) Daughter's husband
 - (g) Brother includes step-brother
 - (h) Sister includes step-sister
- **Significant Influence:** Significant influence shall mean the power to participate in the financial and operating policy decisions of an entity, but not having control over those policies. Significant influence may be gained by share ownership, statute or agreement.

2 Related Party Framework

2.1 Identification of related party

- 2.1.1 The Corporate Secretarial department shall be responsible for maintaining the list of related parties and shall update the same based on declarations received from the Directors / KMP's and based on other data maintained by it.
- 2.1.2 The Corporate Secretarial department shall upload the updated list of related parties as an Annexure to the RPT policy on the Company website at the start of the financial year for all concerned staff / departments
- 2.1.3 It is also the responsibility of the Corporate Secretarial department to upload the revised list of related parties as and when the list is updated

2.2 Notification by related parties

- 2.2.1 Every Director/ KMP of the Company, shall notify by way of written notice to the Company Secretary of the Company about:
- a) His / her shareholding interests or memberships or directorships (directly or through relatives);
 - b) any change in his/her relatives; or
 - c) any change in shareholding interests or directorships or memberships of any entity, held by the person himself or by his relatives.
- 2.2.2 Directors / KMP shall give notification of his interest or change in interest within 15 days of the relevant event. At the beginning of each quarter, the Company Secretary of the Company shall update the details of related parties as per records maintained by the Company.

2.3 Identification of related party transaction

- 2.3.1 Each director and Key Managerial Personnel is 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, including any additional information about the transaction that the Board / Audit Committee may reasonably request. Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.
- 2.3.2 Each director and Key Managerial Personnel shall make an annual declaration as per the provisions of the Companies Act and the rules framed thereof with respect to Related Party transactions to the Company in the last month ending before the financial year and this declaration shall be placed before the Audit Committee and the Board at their first meeting held at the succeeding financial year.
- 2.3.3 Any change in the list of Relatives shall be intimated by the Directors and KMPs by way of a fresh declaration to the Company.
- 2.3.4 In the event that a proposed transaction is to be entered into with any of the parties identified as a Related Party in the list of Related Parties, the proposed transaction shall be considered as a RPT.
- 2.3.5 The Company shall not enter any RPT ***without prior approval of the AC*** except to the extent provided for in the Companies Act
- 2.3.6 Wherever a proposed transaction is identified to be an RPT, including management fees, arm's length shall need to be established and supporting documentation to be prepared by the relevant Head of Department and forwarded to the Corporate Secretarial department for approaching the AC for approval.
- 2.3.7 Ownership of identifying a proposed RPT shall lie with the user departments, whoever is proposing the transaction.
- 2.3.8 The Corporate Secretarial Department in coordination with various department heads shall maintain the updated list of RPT

2.4 Ordinary course of business

- 2.4.1 The assessment of whether a transaction is in ordinary course of business is subjective, judgemental and can vary on case-to-case basis considering many factors including, the nature of business and objects of the entity. The purpose of making such assessment is to determine ***whether the transaction is usual or customary to the Company and/ or its line of business.***
- 2.4.2 *Evaluation as to whether a transaction is in the ordinary course of business will be done by the Company Secretary.* This would be subject to review and approval by the AC.
- 2.4.3 The following are some of the transactions which are regularly undertaken by the Company based on historical data and hence are by default considered as being in Ordinary course of business, unless they contain one or more features mentioned in the list given in Annexure - I;
- a) Purchase of conductors, aluminium, copper, optical fiber, optical fiber cables, etc.;
 - b) Equity contributions / loans / NCDs and interest thereon.; and
 - c) Reimbursement of expenses / Shared services.

2.5 Arm's length evaluation

- 2.5.1 While evaluating whether a transaction would be on an arm's length or not, , reliance must be placed on Benchmarking Table of RPT Policy as given in Annexure III.
- 2.5.2 In situations, where it shall not be appropriate to determine the arm's length price through the methods prescribed by the Income Tax Act, 1961, the decision shall be taken by the BU CFO and Company Secretary jointly.

3 Approval of Related Party Transaction

3.1 Approval of the Audit Committee

- 3.1.1 In accordance with section 177 of Companies Act, 2013, the Company shall not enter into related party transactions without prior approval of the AC except to the extent provided for in the Companies Act. All related party transactions shall be approved by only Independent Directors on the Audit Committee.
- 3.1.2 At the beginning of each financial year it shall be the responsibility of the Head of department(s) to identify the list of proposed RPTs for the following year (to the extent known at that time), prepare supporting documentation and approach the AC for obtaining approval through the Company Secretarial department.
- 3.1.3 Any modification to related party transaction approved by the AC will also require prior approval from Independent Directors on AC except to the extent provided for in the Companies Act.
- 3.1.4 In the event the management determines that it is impractical or undesirable to wait until a meeting of the AC to enter into a RPT, such transaction may be approved by the AC by way of a circular resolution, subject to the provisions of the Act. Any such approval must be noted by the AC at its next meeting.

- 3.1.5 Secretarial team needs to evaluate whether proposed transaction are under approved limit prescribed by Audit Committee. If not then the Proposal will be put by Secretarial department to Audit Committee/Board Meeting/Shareholders meeting as per requirement of Companies Act,2013.
- 3.1.6 Related party transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee having direct or indirect interest in any Related Party Transaction will not participate in the meeting during the discussion and voting on the approval of the Related Party Transaction(s).
- 3.1.7 For every approval, the AC shall be provided with information / details as specified in Annexure - I
- 3.1.8 In determining whether to approve the transaction or not, the AC shall consider the following factors:
- a) The purpose, timing and terms of such transaction;
 - b) Duration of the contract and particulars of the contract and arrangement;
 - c) The nature of transaction, material terms thereof including value and extent of related party's interest in the transaction;
 - d) Manner of determining the pricing to ascertain whether the same is on arm's length;
 - e) Whether the terms of the RPT are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a related party;
 - f) Whether there is an adequate business rationale for the Company to enter into the RPT;
 - g) Whether the Related Party Transaction would affect the independence of an independent director;
 - h) Whether the RPT results in a conflict of interest for any director or KMP, considering the size of the transaction, the overall financial position of the director or other related party, the direct or indirect nature of the director's, KMP's or other related party's interest in the transaction and the ongoing nature of any proposed relationship.
 - i) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - j) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company
 - k) Any other relevant information regarding the transaction which the AC deems relevant.
- 3.1.9 It is understood that the AC may not be expert in evaluating every RPT and may need assistance in the form of expert comments, external views, etc. before arriving at a decision. If such need is felt by a Chairman of the Audit Committee, then such assistance may be taken.

3.2 Omnibus Approval

- 3.2.1 The Company may obtain omnibus approval (subject to the provisions of LODR Regulations and / or the Companies Act) from the AC for RPT proposed to be entered by the Company, however, the AC shall, after obtaining approval of the Board of Directors, need to specify the criteria for making the omnibus approval in line with this Policy. Such approval shall include the following:

- a) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
- b) The maximum value per transaction which can be allowed;
- c) Extent and manner of disclosures to be made to the AC at the time of seeking omnibus approval
- d) Review, at such intervals as the AC may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
- e) Transactions which cannot be subject to the omnibus approval by the AC

3.2.2 The AC shall consider the following factors while specifying the criteria for making omnibus approval:

- a) repetitiveness of the transaction (in past or in future) in the ordinary course of business;
- b) justification of the need for omnibus approval.

3.2.3 The AC may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for RPT that cannot be foreseen and for ***which aforesaid details are not available subject to the value per transaction not exceeding Rupees One Crore only***. The details of such transaction shall be reported at the next meeting of the AC for ratification.

3.2.4 While assessing a proposal for approval under the omnibus route, the AC shall satisfy itself on need for such approval and that the same is in the interest of the Company.

3.2.5 The omnibus approval shall provide details of (i) the name(s) of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the AC may deem fit.

3.2.6 The AC shall be presented with, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company pursuant to the omnibus approval given such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year

3.3 Approval of the Board of Directors of the Company

3.3.1 In the event any contract or arrangement with a related party *is not in the ordinary course of business or at arm's length*, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain the *approval of the Board or its shareholders*, as provided in the Section 188 of the Companies Act, for such contract or arrangement.

3.3.2 The Board shall approve any contract or arrangement (before it is entered) with related party with respect to items specified in Section 188 (1)(a) to (g) by a resolution passed at a Board meeting. Provided that such approval shall not be required if the transaction is undertaken in the ordinary course of business on an arm's length basis. If a contract or engagement is entered without the approval of the Board, the same would be voidable at the option of the Board in

addition to the rights of the Company to proceed against such director / employee as provided in section 3.5.4.

3.3.3 Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

3.3.4 Further, if the AC determines that a RPT should be brought before the Board, or if the Board chooses to review any RPT or it is mandatory under any law for the time-being in force for Board to approve the RPT, then the Board shall consider and review such RPT and approve the same as may be necessary or appropriate under the circumstances.

3.4 Approval of the Shareholders of the Company

3.4.1 All material RPT, will be placed for approval of the shareholders of the Company through ordinary resolution and no Related Party shall vote on such resolutions whether the entity is a Related Party to the particular transaction or not. However, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

3.4.2 However, the shareholders' approval is not required for the transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Provided that no such approval shall be required in respect of transactions covered under para Section 188 (1)(a) to (g) in case such transaction is undertaken *in the ordinary course of business and on an arm's length basis* and the amount of such transaction either individually or taken together with the previous transactions during a financial year *does not exceed 10% of the annual consolidated turnover of the Company or such other limit as may be specified under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014.*

3.4.3 Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 further specifies the limits for transactions beyond which RPTs would require shareholders' approval which are also provided in Annexure – II.

3.5 Related Party transactions not approved under this Policy

3.5.1 In the rare event the Company becomes aware of a RPT with a related party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the BU CFO along with Group CFO and Company Secretary jointly and shall take such action as appropriate.

3.5.2 In any case, where the AC determines not to ratify a RPT that has been commenced without its approval, the AC, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

- 3.5.3 In cases where the Board and / or shareholders' approval is required for a RPT but such approval has not been obtained, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such RPT was entered into, such RPT shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.
- 3.5.4 The Company shall be open to proceed against a director or any other employee who entered into a contract or arrangement in contravention of the policy for recovery of any loss sustained by it as a result of such contract or arrangement.
- 3.5.5 Appropriate actions shall be taken against any director or any other employee of a company, who had entered into or authorised the contract or arrangement in violation of the provisions of this policy.

4 Process for Dealing with Related Party Transactions

- 4.1.1 A list of all the related parties in relation to the Company received from the Board shall be updated from time to time.
- 4.1.2 Basis the above mentioned list of related parties, every department shall, prior to entering in to any contract or arrangement with a related party, ascertain whether the proposed contract or arrangement satisfies the approval mechanism prescribed under this Policy.
- 4.1.3 The contract / arrangement shall not be entered in to without the necessary approval from the Audit Committee / Board / shareholders, as the case may be. Compliance to this condition will strictly be adhered to by the concerned department proposing the underlying contract or arrangement.

5 Reporting of Related Party Transaction and Compliance with the Policy

5.1 Reporting of Related Party Transactions

- 5.1.1 Every contract or arrangement specified under Section 188 (1)(a) to (g) of the Act shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- 5.1.2 Additional disclosures pertaining to RPT shall be made in accordance with *Ind AS 24 – Related Party Disclosures* in the Annual Report of the Company
- 5.1.3 The details of material transactions with related parties will be included in the corporate governance reports which are required to be submitted to the stock exchanges on a quarterly basis.

5.1.4 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.

5.2 Compliance with the Policy

5.2.1 It shall be the responsibility of the Company Secretary to ensure compliance with the Policy and that the approval process is duly followed and data required for the approval process is made available to the respective approving authority.

5.2.2 Company Secretary shall be responsible for maintaining records and supporting documentation for all cases where approval from AC / Board of Directors is sought and obtained.

5.2.3 In case of non-compliances, it shall be the responsibility of the Company Secretary to report the non-compliances to the AC / Board of Directors. The AC / Board of Directors may take appropriate mitigating actions in compliance with prevailing laws.

5.2.4 In case there is any conflict between the provisions of this Policy and the LODR Regulations Listing Agreement, the Act or any other Statute / Rule / Regulation, the provisions of the LODR Regulations Listing Agreement, the Act or such other Statute / Rule / Regulation shall prevail over this Policy.

5.2.5 This Policy shall be communicated to all employees and other concerned persons of the Company. Further, this Policy shall be uploaded on the website of the Company and website link for the same shall be provided in the Annual Reports of the Company.

6. Amendments

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any subsequent amendment / modification in the Act or the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

Annexure – I – Indicative list of Information for AC / Board of Directors

Indicative list of information which should be made available to the AC / Board of Directors for approval of Related Party transactions:

- a) Nature and general description of the transaction ;
- b) Name of the related party and nature of relationship;
- c) Maximum estimated value of the transaction;
- d) Rationale for related party transaction (business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options, if any);
- e) Principle terms and conditions (including the indicative price and formula for price determination, if any);
- f) Period / Duration of the transaction;
- g) Indicative base price or current contracted price and the formula for variation in the price, if any;
- h) Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any;
- i) Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
- j) Any advance paid / received or to be paid / received for the contract or arrangement, if any;
- k) In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
- l) Management's evaluation regarding
 - whether it is a material transaction.
 - whether it is in ordinary course of business;
 - Whether it is at arm's length and the basis for conclusion (including expert valuation, if any).
- m) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- n) Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
 - market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
 - management assessment of pricing terms and business justification for the proposed transaction;
 - comparative analysis, if any, of other such transaction entered into by the company

Annexure – II – Materiality limits for shareholders' approval u/s 188 of Companies Act,2013

Nature of Transaction	Transaction Value
(a) Sale, purchase or supply of any goods or material (directly or through an agent)	Amounting to 10 per cent or more of turnover or INR 100 crore, whichever is lower
(b) Selling or otherwise disposing of, or buying, property of any kind (directly or through an agent)	Amounting to 10 per cent or more of net worth or INR 100 crore, whichever is lower
(c) Leasing of property of any kind	Amounting to 10 per cent or more of net worth or 10 per cent or more of turnover or INR 100 crore, whichever is lower
(d) Availing or rendering of any services (directly or through an agent)	Amounting to 10 per cent or more of turnover or INR 50 crore, whichever is lower
(e) Appointment of any agent for purchase or sale of goods, materials, services or property	As per the limit prescribed in clause a), b) and d), in case resulted into appointment of an agent
(f) Appointment to any office or place of profit in the company, subsidiary Company or associate company	Remuneration exceeding INR 2.5 lakh per month
(g) Underwriting the subscription of any securities or derivatives of the Company	Remuneration exceeding one per cent of net worth

Explanation(s):

Limits specified in clauses a) to d) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a Financial Year.

Turnover or net worth shall be computed on the basis of the audited Financial Statement of the preceding Financial Year.

Notwithstanding the above materiality threshold, a 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 individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Annexure – III – Benchmarking – RPT Transactions

BENCHMARKING - RPT TRANSACTION							
S.No	Nature	Parties	SPGVL + Intermediate HoldCos	SPTL	SIML	SCL	Project SPVs
1	Sale of Conductor /OPGW/Power Cable	SPGVL	NA	Selling Rate to External Customer	NA	NA	NA
2	Purchase of Conductor /OPGW/Power Cable	SPTL	3 Party Quotes_Lowest One	NA	NA	NA	NA
3	EPC Business - Sale	Project SPVs	3 Party Quotes_Lowest One	NA	NA	NA	NA
4	EPC Business - Purchase	SPGVL	NA	NA	NA	NA	3 Party Quotes_Lowest One
5	Purchase of Aluminium Ingot/ROD/Wire	BALCO/VAL/HZL	NA	3 Party Quotes_Lowest One	NA	NA	NA
6	Lease Agreement for Lease of OPGW installed in Transmission Lines	SCL/Project SPVs				NA	NA
7	Project Management Fees (Within Group)	Project SPVs	10% of O&M Cost	NA	NA	NA	10% of O&M Cost
8	Project Management Fees (IndiGrid)	IGT	10% of O&M Cost	NA	NA	NA	NA
9	Investment Management Fees (IndiGrid)	IGT	NA	NA	1.75% of EBITDA	NA	NA
10	Management Fees (From SIML to SPTL)	SIML	NA	Direct+Indirect Cost + 10% Margin	Direct+Indirect Cost + 10% Margin	NA	NA
11	Reimbursement of Expenses	Across Group	At Cost	At Cost	At Cost	At Cost	At Cost

Annexure – IV – RPT transaction Reporting Format :

LIST OF RELATED PARTY TRANSACTIONS - FY2018-19 (STERLITE POWER TRANSMISSION COMPANY LIMITED)											
Abb.		Name									
	SPGVL	Sterlite Power Grid Ventures Limited									
	SCL	Sterlite Convergence Limited									
	SIML	Sterlite Investment Managers Limited									
	HZL	Hindustan Zinc Limited									
	STL	Sterlite Technologies Limited									
	VAL	Vedanta Limited									
	BALCO	Bharat Aluminium									
	SPTPL	Sterlite Power Technoliges Limited									
	MTCIL	Maharashtra Transmission Communication Infrastructure Limited									
	ENICL	East-North Interconnection Company Limited									
	BDTCL	Bhopal Dhule Transmission Company Limited									
										(INR Cr)	
Sr. No.	Name of the related party	Relationship	Nature of transaction	FY'18 (Actual)	Q1'19 (Actual)	Q2'19 (Actual)	YTD'19 (Actual)	Q3'19 (Est.)	Limit /Approval FY'19	Ordinary Business (Y/N)	Arm Length Basis
1			Loans & Advances given								
2			Interporate Deposit Received								
3	SPGVL	Subsidiary	Investment in OCRPS								
4			Investment in Equity Shares								
5			Sales (Net of taxes)								
6			Reimbursement of Expenses								
7	SCL	Subsidiary	Loans & Advances given								
8			Reimbursement of Expenses								
9			Purchase of Goods								3 Party Quote
10			Sales (Net of taxes)								
11	STL	Fellow Subsidiary	Management Fees								Cost + 10%
12			Interest Paid								
13			Reimbursement of Expenses								
14	SIML	Subsidiary	Management Fees								
15		Fellow Subsidiary	Purchase of Goods								
16	HZL	Fellow Subsidiary	Sales of Goods								
18			Purchase of Goods								
19	VAL	Fellow Subsidiary	Purchase of Power								
20			Sales of Goods								
21			Sales of Services								
22	BALCO	Fellow Subsidiary	Purchase of Goods								
23	Electro Steel	Fellow Subsidiary	Purchase of Goods								
24	SPTPL	Fellow Subsidiary	Loans & Advances given								
25			Interest Income on Loan given								
26	MTCIL	Fellow Subsidiary	Sales of Goods								
27	ENICL	* Subsidiary	Sales of Goods								
28	BDTCL	* Subsidiary	Sales of Goods								
29	Avantika Kakkar	Independent Director	Services								
* till 29th May 2017											

External References:

S. No.	Reference	Description
1	Indian Accounting Standards which have been notified by the Ministry of Corporate Affairs, Central Government under the Companies Act	Indian Accounting Standards 12 – Income Taxes http://www.mca.gov.in/Ministry/pdf/Ind_AS12.pdf
2	Companies Act, 2013	Schedule III of The Companies Act, 2013 provides instructions for preparation of financial statements http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf
3	Companies (Meetings of Board and its Powers) Rules, 2014, issued by Ministry of Corporate Affairs, Central Government	http://www.mca.gov.in/Ministry/pdf/NCARules_Chapter12.pdf
4	Notification relating to Related Party Transactions issued by Ministry of Corporate Affairs, Central Government on 14th August, 2014	http://www.mca.gov.in/Ministry/pdf/NCA_Rules_16082014.pdf
5	Notification relating to Related Party Transactions issued by Ministry of Corporate Affairs, Central Government on 30th March, 2017	http://www.mca.gov.in/Ministry/pdf/CompaniesMeetingsofBoard_31032017.pdf
6	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	https://www.sebi.gov.in/sebi_data/attachdocs/1441284401427.pdf