

# CISTRO TELELINK LIMITED

CIN No: L19201MP1992PLC006925

206, Airen Heights, AB Road, Indore 452010, Madhya Pradesh

Tel No.:0731-2555022; Fax No.:0731-2555722

Email [ID-cistrotelelink@gmail.com](mailto:ID-cistrotelelink@gmail.com)

Website: [www.cistrotelelink.com](http://www.cistrotelelink.com)

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## RELATED PARTY TRANSACTION POLICY

### 1. Preamble

The Board of Directors (the “Board”) of Cistro Telelink Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

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

### 2. Purpose

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

### 3. Definitions

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Key Managerial Personnel**” 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

“**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 ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or if exceeds Rs. 1000 Cr. whichever is lower.

“**Policy**” means Related Party Transaction Policy.

**Related Party means**

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All persons or entities forming part of Promotor or Promotor Group irrespective of their shareholding; and

Any person/entity holding equity shares in the listed entity, either directly or on a beneficial interest basis at any time during the immediately preceding FY:

To the extent 20% or more;

To the extent of 10% or more [w.e.f. 1st April, 2023]

**“Related Party Transaction”** Means transactions entered between the following

parties: I] A listed entity or its Subsidiary - Related Party of listed Entity or its Subsidiary;

II] All listed entity or its Subsidiary – Any other person or entity with the purpose and effect to benefit the listed entity or its Subsidiary w.e.f. 1st April, 2023.

Such transactions shall be considered as RPTS regardless of whether a price is charged or whether the transaction is a single transaction or a group of transactions.

#### **4. Policy**

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

#### **5. Identification of Potential Related Party Transactions**

Each director and Key Managerial Personnel are responsible for providing notice to the Board 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. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

#### **6. Prohibitions related to Related Party Transactions**

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any

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and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

## **7. Review of Related Party Transactions by Audit Committee**

**Audit Committee approval required for All Related Party Transactions and subsequent material modifications as defined in this Policy.**

Related Party Transactions where Subsidiary is a party but listed entity is not a party and were transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Subsidiary w.e.f.1st April, 2023.

Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.

## **8. Prior Approval of Board of Directors under Companies Act, 2013**

Related Party Transaction which are either not in the ordinary course of Business or not at Arm's Length Price shall require prior approval of the Board of Directors.

## **9. Approval of Shareholders**

### **a) Approval of Shareholders as per the requirement of Companies Act, 2013**

Related Party Transaction with are either not in the 'Ordinary Course of Business' or are not at 'arm's length price' and exceeds the threshold under section 188 of the Companies Act, 2013, shall also require prior approval of the shareholders through special resolution.

No members of the Company shall vote in a special resolution where related party contract or arrangement is being considered if such a member is a Related Party in Contract or Arrangement which is being considered.

### **b) Approval of Shareholders as per the requirements of Clause 23 of Listing Agreement**

All material Related Party Transaction & subsequent material modifications basis threshold as defined by the Audit Committee, will require prior approval of shareholders.

## **10. Related Party Transactions not approved under this Policy**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and

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circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate. In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

Date: 17.02.2023