

**SUYOG GURBAXANI**  
**FUNICULAR ROPEWAYS LIMITED**  
CIN : L45203MH2010PLC200005



**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS**

**AND**

**ON DEALING WITH RELATED PARTY TRANSACTIONS**

**SUYOG GURBAXANI  
FUNICULAR ROPEWAYS LIMITED**

CIN : L45203MH2010PLC200005



**1. INTRODUCTION AND BACKGROUND**

Suyog Gurbaxani Funicular Ropeways Limited (the "Company" or "SGFRL") recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

**2. OBJECTIVE**

Related party transactions have been one of the major areas of focus for the corporate governance reforms being initiated by Indian Legislature.

Pursuant to Regulation 15(2)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015), Regulation 23 becomes applicable to listed entity whose specified securities are listed on SME platform w.e.f. 1<sup>st</sup> April, 2025.

The changes introduced in the Corporate Governance norms through the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, 2015 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 SEBI LODR Regulations, 2015 require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions.

**3. 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.

**"Audit committee"** means the audit committee of the Company.

**"Board"** means the Board of directors of the Company.

**"Company/Listed Entity"** means Suyog Gurbaxani Funicular Ropeways Limited

**"Material Related Party Transaction"** in relation to the Company means a related party transaction which individually or taken together with previous transactions with a related party during a financial year, exceeds rupees fifty crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or as per any amendments made thereof under regulation 23.

**SUYOG GURBAXANI**  
**FUNICULAR ROPEWAYS LIMITED**

CIN : L45203MH2010PLC200005



Additionally, in accordance with section 188 of Companies Act, 2013, read with rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, Material Related Party Transactions will include

- a) Contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mentioned below:
- (i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten per cent of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
  - (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
  - (iii) leasing of property of any kind exceeding ten per cent of the net worth of the company or ten per cent. of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
  - (iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten per cent of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:
- b) Appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or
- c) Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one per cent. of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation- (1) The Turnover or Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding financial year.

**SUYOG GURBAXANI**  
**FUNICULAR ROPEWAYS LIMITED**

CIN : L45203MH2010PLC200005



**“Ordinary Course of Business”** with reference to a transaction with a related party means a transaction which is:

- Carried out in the normal course of business envisaged in accordance with the Memorandum of Association (“MOA”) of the Company as amended from time to time;
- Historical practice with a pattern of frequency;
- Common commercial practice; or
- Meets any other parameters/criteria as decided by the Board/Audit Committee from time to time.

**“Policy”** means this policy, as may be amended from time-to-time.

**“Related Party”** in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**“Related party transaction”** in relation to the Company means a transaction which is:

- a. a transfer of resources, services or obligations between the Company and a related party regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transaction in a contract;
- b. contract or arrangement with a related party with respect to-
  - i. sale, purchase or supply of any goods or materials;
  - ii. selling or otherwise disposing of, or buying, property of any kind;
  - iii. leasing of property of any kind;
  - iv. availing or rendering of any services;
  - v. appointment of any agent for purchase or sale of goods, materials, services or property;
  - vi. such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
  - vii. underwriting the subscription of any securities or derivatives thereof, of the Company;

#### **4. APPROVAL OF RELATED PARTY TRANSACTIONS**

- a. All related party transactions shall require prior approval of the Audit Committee. The approval of the Audit Committee can be granted by way of a circular resolution. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the provisions of Rule 6A of Companies (Meetings of Board and its Powers) Rules, 2014 and

**SUYOG GURBAXANI**  
**FUNICULAR ROPEWAYS LIMITED**

CIN : L45203MH2010PLC200005



Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- b. All material related party transactions shall require prior approval of the shareholders through resolution.
- c. In case of related party transaction which is not in the ordinary course of business or which is in the ordinary course of business but is not arm's length transaction, whether or not it is a material related party transaction, prior approval of the Board vide a resolution passed at the meeting of the Board shall be necessary.
- d. Where any director is interested in any contract or arrangement with a related party, such director shall not be considered for the purpose of quorum at the Board meeting and neither will be a part of discussions on the subject matter of the resolution relating to such contract or arrangement.
- e. The related parties shall abstain from voting as shareholders in case of related party transactions which require the approval of shareholders whether he/she is a party to that particular transaction or not.
- f. Transactions with related parties exceeding such sums, as prescribed under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with relevant rules prescribed thereunder shall require prior approval of the shareholders.

**5. PROCESS FOR DEALING WITH RELATED PARTY TRANSACTIONS**

- a. A list of all the related parties in relation to the Company received from the Directors shall be updated from time-to-time.
- b. Basis the above-mentioned list of related parties, every department shall, prior to entering into any contract or arrangement with a related party, ascertain whether the proposed contract or arrangement satisfies the approval mechanism prescribed under this Policy.
- c. The contract/arrangement shall not be entered into 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.

**SUYOG GURBAXANI**  
**FUNICULAR ROPEWAYS LIMITED**

CIN : L45203MH2010PLC200005



**6. INTERPRETATION**

- a. Any words used in this policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, listing agreement, Accounting Standards or any other relevant legislation/law applicable to the Company.
- b. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this policy, the same shall be referred to the Audit Committee and the decision of the audit committee in such a case shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

This policy is subject to amendments as may be introduced under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or standard or as may deem fit to Board of Directors of the Company.

**7. AMENDMENT**

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

**8. REVIEW**

This Policy will be reviewed as and when required but atleast once in three years.

***This Policy was approved by the Board of Directors at its meeting held on May 29, 2026***

\*\*\*\*\*