

Kabra Extrusiontechnik Limited

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POLICY ON RELATED PARTY TRANSACTIONS

1. Background

This Policy is framed by the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (Listing Regulations) and Section 188 of the Companies Act, 2013 and applies to transaction entered into with its related parties with effect from 01st October, 2014 or any modification effected to subsisting transactions after the said date. This policy sets definition of materiality of related party transactions and dealing with it.

2. Definitions

(i) Related Party means an entity shall be considered as related to the Company, if such entity is a related party under Section 2(76) of the Companies Act, 2013 or under applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be a related party.

(ii) Related Party Transactions means any transaction directly or indirectly in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged or any transaction with a related party is of the nature specified in sub-clause (a) to (g) of Section 188(1) of the Companies Act, 2013 read with Rule 16(3) of the Companies (Meeting of Board and its Powers) Rules, 2014.

3. Materiality Threshold

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 (10%)** of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

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

4. **Policy**

- I. Transaction between the Company and its Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the –
 - i. Companies Act, 2013 and rules made thereunder;
 - ii. Listing Regulations;
 - iii. Accounting Standard issued by the Institute of Chartered Accountants of India or any other competent authority;
 - iv. Income Tax Act regarding Domestic and International Transfer Pricing requirements(hereinafter referred to as aforesaid statutory provisions)
- II. Approval of the Audit Committee / Board / Shareholders of the Company shall be obtained for such Related Party Transactions as prescribed under the aforesaid statutory provisions.
- III. Internal process shall be established with the approval of Board of Directors in respect of Related Party Transactions for:
 - (a) Identification of Related Parties;
 - (b) determining nature of transactions;
 - (c) monitoring materiality of such transactions;
 - (d) ascertaining requirement of prescribed approvals;
 - (e) making of prescribed reporting / disclosures;
 - (f) audit, certification and recording of such transactions.

5. **Amendment**

This Policy is based on the provisions of aforesaid statutory provisions applicable as on date. Any subsequent amendment / modification thereto shall automatically apply to this policy. This policy would be modified then to be consistent with the amended statutory provisions. However, the amendment in the regulatory requirements shall be binding on the Company and prevail over this Policy even if not incorporated in this Policy.