

# Kabra Extrusiontechnik Limited

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## **POLICY ON RELATED PARTY TRANSACTIONS**

### **1. Scope and Purpose of this Policy**

This Policy on Related Party Transactions ("Policy") of the Kabra Extrusiontechnik Limited ("the Company") is framed pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("Listing Regulations") and Section 188 of the Companies Act, 2013 ("the Act").

Regulation 23(1) of the Listing Regulations mandates that Companies formulate a Policy addressing the materiality of Related Party Transactions ("RPTs") and dealing with RPTs. Furthermore, Regulation 23(2) of the Listing Regulations requires Companies to define material modifications of RPTs and disclose them within the Policy.

This Policy has been adopted by the Board of Directors of the Company based on the recommendations of the Audit Committee of the Company.

### **2. Definitions**

- (i) "Arm's Length Transaction" means a transaction between two related parties that is carried out as if they had no relationship, ensuring there's no conflict of interest.
- (ii) "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 :
  - (a) any person or entity belonging to the promoter or promoter group of the Company or
  - (b) any person or entity holding equity shares :
    - (1) of twenty per cent (20%) or more
    - (2) of ten per cent (10%) or more with effect from April 1, 2023in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party:"

- (iii) "Related Party Transactions" shall have the meaning as defined under Regulations 2(1)(zc) of the Listing Regulations or as envisaged in Section 188(1) of the Act read with Rule 16(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 including modifications and amendments made thereto
- (iv) "Material Related Party Transaction" means transactions entered into individually or taken together with the previous transactions during a financial year, exceeds Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company, whichever is lower.
- (v) "Material Modification(s)" means any change made to value or exposure of an ongoing or proposed RPTs, as initially approved by the Audit Committee and/or Shareholder. Such a modification is considered material if it results in a variation of approved value of transaction by 10% or Rs.40 Lakhs whichever is lower.

All Capitalized terms in this Policy, not defined herein, carry the meanings specified in Act and Rules thereunder and Listing Regulations, as amended from time to time. If there's any conflict between this Policy and applicable law, the applicable law shall prevail.

### **3. Identification of Related Parties**

- I. Each Director and Key Managerial Personnel of the Company is responsible for providing a declaration to the Company Secretary on their related parties and whenever there is a change in the information.
- II. The Company shall regularly verify and update the related party list and review and confirm in accordance with the Act and Listing Regulations.

### **4. Identification of Related Party Transactions**

The Company shall identify related party transactions in accordance with the Act and Listing Regulations, which require consent of the Audit Committee, Board of Directors and Shareholders, as the case may be.

### **5. Approval for Related Party Transactions**

The Company shall not enter into any related party transactions except as stated hereinafter:

#### **5.1 Approval of Audit Committee**

##### **Prior Approval :**

- All RPTs and subsequent modifications shall require prior approval of Audit Committee in terms of Regulation 23(2) of Listing Regulations and only those members who are Independent Directors shall approve the RPT.

- Transaction between a subsidiary and its related party, if the annual value of all transactions of such subsidiary with that related party exceeds 10% of the annual standalone turnover of such subsidiary as per its last audited Balance Sheet – applicable from FY 23-24.
- Remuneration and sitting fees paid by the Company or its subsidiary to Directors, Key Managerial Personnel (KMP) or senior management shall require approval of audit committee if they are material.
- Remuneration and sitting fees paid by the Company or its subsidiary to Directors, Key Managerial Personnel (KMP) or senior management, who is part of Promoter or Promoter Group shall require approval of audit committee.

Omnibus Approval: The audit committee may grant omnibus approval to the Company or its subsidiaries. The audit committee shall consider the following while granting omnibus approval:

- Repetitiveness of the transaction
- Justification for the need of omnibus approval
- Transaction fall within ordinary course of business
- Transaction is conducted at the arm's length

The audit committee shall periodically review the transactions approved under the omnibus approval to ensure compliance with applicable regulations.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of transaction or in the next immediate audit committee, whichever is earlier, subject to the following conditions:

- The value of the ratified transaction(s) shall not exceed Rs. 1 Crore, whether entered individually or taken together, during the financial year.
- The transaction is not material in terms of Reg 23(1).
- Rationale for inability to seek prior approval shall be place before the committee at the time of seeking ratification.
- The details of ratification shall also be disclosed along with the disclosures of related party transactions in accordance with regulations.
- Any other conditions as may be specified by the committee:

In case of failure to seek ratification, the transaction shall be voidable and if such transaction is with related party to any director, or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

#### Approval of Board

- All RPTs which are not in ordinary course of business or not as an Arm's Length Transactions will be put up for prior approval of Board.
- Related Party Transactions referred by the Audit Committee for approval.
- Related Party Transactions required to be approved by Board under any applicable law.

#### Approval by Shareholder

- All material related party transaction and subsequent material modification shall be placed for prior approval of shareholders in terms of Regulations 23(4) of Listing Regulations.
- Related Party Transactions not in ordinary course of business and not on arm's length basis and crosses threshold limit as prescribed under section 188 of the Act.

#### **6. Exceptions**

Approval from the Audit Committee, Board or Shareholders is not required for exempted transactions as specified under section 188 of the Act read with rules framed thereunder and Regulations 23(5) of Listing Regulations or any other applicable laws.

#### **7. Disclosure and Reporting**

- Details of the RPTs during the quarter shall be disclosed in the Audit Committee and Board Meeting.
- The RPTs entered into by the Company and its Subsidiaries shall be reviewed by the Audit Committee on quarterly basis, for which the omnibus approval been given.
- Board's Report shall contain details of RPTs as required under applicable law.
- The details of related party transactions in the format prescribed by SEBI shall be submitted to the stock exchanges and publish the same on the website of the Company in accordance with Regulation 23(9) of the Listing Regulations.

#### **8. 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.

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