

**SUPERSHAKTI METALIKS LIMITED**  
**RELATED PARTY TRANSACTION POLICY**

**1. Purpose of this policy:**

SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Accordingly, the Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (“**Policy**”). This Policy regulates all transactions between the Company and its Related Parties (as defined below). The Audit Committee will review the Policy periodically and may amend the same from time to time and propose the same to the Board for approval.

Explanation : A transaction with related party shall be considered material if the transaction(s) 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 listed entity as per the last audited financial statements of the listed entity.

**2. Definitions**

“**Act**” shall mean the Companies Act, 2013 and includes any amendment thereof. All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules there-under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**LODR**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations, 2015 as amended).

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

Board of Directors" or "Board" means the Board of Directors of SUPERSHAKTI METALIKS LIMITED as constituted from time to time.

"Key Managerial Personnel" (KMP) means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013. Key Managerial Personnel as per sub-section (51) of section 2 of the Companies Act, 2013 "Key Managerial Personnel", in relation to a company, means—

- a) the Chief Executive Officer or the Managing Director or the Manager;
- b) the Company Secretary;
- c) the Whole-time Director;
- d) the Chief Financial Officer; and
- e) such other officer as may be prescribed.

"Material Related Party Transaction" - A transaction with a related party shall be considered material if the transaction(s) 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 listed entity as per the last audited financial statements of the company.

"Policy" means this Policy on related party transactions (including materiality of related party transactions and dealing with related party transactions).

"Related Party" as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable Accounting Standards.

Related Party' as per sub-section (76) of section 2 of the Companies Act, 2013: "Related Party" with reference to a company, means

- a) a director or his relative;
- b) a key managerial personnel or his relative;
- c) a firm, in which a director, manager, or his relative is a partner;

- d) a private company in which a director or manager or his relative is a member or director;
- e) a public company in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital;
- f) anybody 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;
- g) any person on whose advice, directions or instructions a director or manager is accustomed to act; Provided that nothing in sub clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity;
- h) any company which is –
  - (A) a holding, subsidiary or an associate of such company; or
  - (B) a subsidiary of a holding company to which it is also a subsidiary;
  - (C) an investing Company or the venturer of the Company
- i) such other persons as may be prescribed;

As per Rule 3 of Companies (Specification of Definitions Details) Rules, 2014-

- Director (other than Independent Director) or Key Managerial Personnel of the holding company or his relative with reference to a company, shall be deemed to be related party.

"Related Party Transaction" means any transaction involving transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged and would include a single transaction or a group of transactions.

"Relative" means as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and includes anyone who is related to another, if

- i) they are members of a Hindu Undivided Family;
- ii) they are husband and wife; or
- iii) Father (including step father)
- iv) Mother (including step mother)
- iv) Son (including step son)
- v) Son's wife
- vi) Daughter
- vii) Daughter's husband
- ix) Brother (including step brother)
- x) Sister (including step sister)

"Arms length transaction" as defined under explanation (b) to section 188(1) of the Companies Act, 2013, a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Associate" shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Associate under sub-section (6) of section 2 of the Companies Act, 2013 "Associate company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. Explanation - For the purpose of this clause, "significant influence" means control of at least twenty percent of total share capital, or of business decisions under an agreement.

An Associate as per Accounting Standard - 18 An enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party.

The investing Company or the venture of a company would result in the company becoming an associate company of the body corporate

### **3. Review and approval of Related Party Transactions**

#### **Audit Committee**

All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23 of LODR and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. Such omnibus approval shall specify:

- the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- the indicative base price / current contracted price and the formula for variation in the price if any; and
- 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. One crore per transaction.

Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

#### **Board of Directors**

In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

#### **Shareholders**

If a related party transaction is (i) a material transaction as per Regulation 23 of LODR, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by an Ordinary Resolution. In such a case, any member of the Company who is a related party shall not vote on resolution passed for approving such related party transaction.

### **Reporting of related party transactions**

Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

#### **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 commencement, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action it deems appropriate. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as may deem fit, 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 Audit Committee has authority to modify or waive any procedural requirements of this Policy. This Policy will be communicated to all concerned employees and persons of the Company.

#### **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or LODR or any other statutory enactments, rules, the provisions of such Act or LODR or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the LODR, Act and/or applicable laws in this regard shall automatically apply to this Policy.