



K I C METALIKS LIMITED

"Sir RNM House" 3B, Lal Bazar Street,
4th Floor, Room No. 2, Kolkata - 700 001
Phone : +91-33-3068 8681 / 3068 8683
Fax : +91-33-4001 9636

Related Party Transaction Policy

1. INTRODUCTION

The Board of Directors "Board" of K I C Metaliks Limited "Company" has adopted the following policy with regard to Related Party Transactions as defined below, effective October 1, 2014. The Audit Committee will review and may amend this policy from time to time.

This policy is aimed to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company and also provides for materiality of Related Party Transactions.

2. PURPOSE

This policy is framed pursuant to the requirement of sub clause VII(C) of revised Clause 49 of the Listing Agreement by the Securities Exchange Board of India (SEBI) vide CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 with the objective to align with the provisions of the Companies Act, 2013, adopt the best practices on Corporate Governance and make the Corporate Governance framework more effective.

This Policy is intended to ensure 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 Stakeholders. The Company is required to disclose every year in the Financial Statements, certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. DEFINITIONS

- "Board of Directors" or "Board" means the Board of Directors of K I C Metaliks Limited, as constituted from time to time.
- "Related Party" as defined in Clause 49 of the Listing Agreement is as follows :

A "related party" is a person or entity that is related to the Company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a Company if that person:

FOR K I C METALIKS LTD


Managing Director



CIN No. : L01409WB1986PLC041169

Factory : Raturia, Angadpur, Durgapur - 713 215, Phone : 9874943342

E-mail : info@kicmetaliks.com • Website : www.kicmetaliks.com



- A) is a related party under Section 2(76) of the Companies Act, 2013; or
B) has control or joint control or significant influence over the Company; or
C) is a Key Management Personnel of the Company or of a parent Company or
2. An entity is related to a Company if any of the following conditions applies:
- The entity is related party under Section 2(76) of the Companies Act, 2013; or
 - The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - Both entities are joint ventures of the same third party; or
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company; or
 - The entity is controlled or jointly controlled by a person identified in (1);
 - A person identified in (1)(b) has significant influence over the entity or a parent of the entity.

Further, as per Companies Act, 2013 is as follows:

- a Director or his relative;
- a Key Managerial Personnel or his relative;
- a firm, in which a Director, manager or his relative is a partner;
- a private Company in which a Director or manager is a member or Director;
- a public Company in which a Director or manager is a Director or holds along with his relatives, more than two percent of its paid-up share capital;
- any body corporate whose Board of Directors, Managing Director, or manager is accustomed to act in accordance with the advice, directions or instructions of Director or manager;
- any person under whose advice, directions or instructions a Director or manager is accustomed to act;

Provided that nothing in sub Clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- any Company which is-
 - a holding, subsidiary or an associate Company of such Company; or
 - a subsidiary of a holding Company to which it is also a subsidiary;
- Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company; or

- “Related Party transactions” in terms of Clause 49 of Listing Agreement means any transaction directly or indirectly involving any related party which is a transfer of resources,



FOR KIC METALIKS LTD


Managing Director



services or obligations between a Company and a related party, regardless of whether a price is charged.

In terms of Companies Act, 2013 means any contract or arrangement with a related party with respect to :

- a. sale, purchase or supply of any goods or materials.
 - b. selling or otherwise disposing of, or buying property of any kind.
 - c. leasing of property of any kind.
 - d. availing or rendering of any services.
 - e. appointment of any agent for purchase or sale of goods, materials, services or property.
 - f. such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company and underwriting the subscription of any securities or derivatives thereof of the Company.
- **"Relative"** a relative as defined under 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)
 - v. Son (including step-son)
 - vi. Son's wife
 - vii. Daughter;
 - viii. Daughter's husband
 - ix. Brother (including step-brother)
 - x. Sister (including step-sister)
 - **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which is as follows:

"control" includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

Provided that a Director or officer of a target Company shall not be considered to be in control over such target Company, merely by virtue of holding such position.
 - **"Key Managerial Personnel"** means Key Managerial Personnel as defined under the Companies Act, 2013 and includes:
 1. the Chief Executive Officer or the Managing Director or the manager;
 2. the Company Secretary;
 3. the Whole Time Director;



FOR KIC METALIKS LTD


Managing Director



4. the Chief Financial Officer; and
 5. Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- **“Material Related Party Transaction”** as provided in revised Clause 49 of Listing Agreement, 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 five percent of the annual turnover or twenty percent of the net worth of the Company as per the last audited financial statements of the Company, whichever is higher.

4. POLICY

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this policy.

a) Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is 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.


b) 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 KIC METALIKS LTD


Managing Director

