



Superior Industrial Enterprises Limited

Annexure-18



25, Bazar Lane, Bengali Market, Connaught Place, New Delhi-110001 • Tel : 23731233, 23731230

SUPERIOR INDUSTRIAL ENTERPRISES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

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PREFACE

The Related Party relationships are normal in business. Transactions with Related Parties may arise in the course of business. Therefore, a policy on Related Party Transactions is required in order to bring in a process and transparency in such transactions. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company. In order to bring in transparency and appropriate disclosure of Related party Transaction and to comply with Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges, this policy has been formulated by the Committee. It is intended to have required 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 shareholders.

Superior Industrial Enterprises Limited has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions. An endeavor is consistently made to have only arms' length transactions with Related Parties.

All Related Party Transactions (RPT), as that term is defined in this policy, shall be subject to review in accordance with the procedures set forth below. The Board has determined that the Audit Committee (the "Committee") is best suited to review all Related Party Transactions.

DEFINITIONS

A 'related party' is a person or entity that is related to the company. Parties / Entities are considered to be related if an entity shall be considered as related to the company if: (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or (ii) such entity is a related party under the applicable accounting standards. **Clause 49(VII)(B)**

Materiality of Related Party Transactions means a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company."- **Clause 49 VII C of Listing Agreement**

COLLECTION OF RPTs /POTENTIAL RPTs

RPTs with the Company, existing, new, proposed and potential shall be brought to the notice of the Chairman of Audit Committee by the Director or KMP of the Company, who is a party to it either by signing or otherwise of any RPTs with the Company by providing all the information about the RPT in the format attached in **Annexure-1** below and additional information as the Company may require. The employees of the Company, who sign any transaction on behalf of the Company shall

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report to the Chairman of Audit Committee about potential RPTs. Based on the above said notification and information received, the Chairman of Audit Committee shall summarize the

Information /notification received and shall examine, if the transaction is a RPT or not. While determining whether a transaction can be categorized as a RPT or not, the Chairman of Audit Committee shall be guided by notification, information, disclosure as said above, Companies Act 2013, Listing Agreement, applicable Accounting Standard (i.e. AS-18) and such other thing as the Committee may decide. A transaction identified as RPT shall require prior approval of the Committee or share holders as the case may be before entering into such RPT.

RPTs details as received above shall be referred to the next meeting of the Committee or be moved through circulation of resolution by the Chairman of Audit Committee for review and approval of the Committee. Any member of the Committee having any interest in any RPT will state his/her interest and shall abstain from discussion and voting on the approval of the RPT. Before approving the RPT, the Committee shall among other matters consider the following factors to the extent relevant to the RPT with respect to the Company's nature, size, fairness of the terms, ordinary course of business, arms length pricing, pricing method followed, other commercial terms, repetitive nature, compelling business reasons to enter into, alternatives, effect on the independence of an independent director, potential reputational risk involved, whether it was pre-approved and if not, the reason for not such pre-approval, if subsequent ratification would be detrimental, any conflicting situation that would arise for any director or KMP due to this, the overall financial position of the RP and the nature of Relation.

APPROVAL OF RPTs

The Committee, after the review and on being satisfied about the RPT, shall approve the RPT with or without any modification or shall reject the RPT or may refer it for further information as it may deem fit or may refer to the Board for approval. If the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the RPT, then the considerations set forth above shall apply to the Board's review and approval of the matter. All RPTs shall require pre-approval of the Committee. All Material RPTs shall require approval of the shareholders through ordinary resolution and the RPs shall abstain from voting.

OMNIBUS APPROVAL :

The Committee may grant omnibus approval for proposed foreseen RPTs on being satisfied about the followings.

- (i) The transactions are repetitive in nature
- (ii) The transaction is in the interest of the Company
- (iii) The need of the omnibus approval
- (iv) The transaction is in line with this policy
- (v) The transactions shall review such RPTs on quarterly basis

(vi) Such omnibus approval shall be valid for a period of one year from the date of approval and shall require fresh approval at the end of one year.

While granting omnibus approval for proposed foreseen RPTs, the Committee shall at least specify in its approval the name of the RP, nature of RPT, period of RPT, RPT amount, indicative base price, contract price, reason for variation in price. While granting omnibus approval of unforeseen RPTs or where the above said details are not available, the value of such RPTs shall not exceed One Crore.

DISCLOSURE

This policy shall be displayed on the web site of the Company and a web link of it shall be mentioned in the Annual Report of the Company as required under Clause 49(VIII)(A)(2) of the listing agreement with stock exchanges. RPTs with justification shall be disclosed in the Directors Report. Annual Financial Statements/Annual Report shall also mention RPTs as required under Companies Act, 2013 (including as required under applicable Accounting Standard).

PROCEDURES

1. All Related Party Transactions (RPTs) of the company as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement will be approved by the audit committee of the Board from time to time.
2. Each Director who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Committee concerning such Related Party Transaction and his or her interest in such transaction
3. Management shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential Related Party Transactions:
 - a. A general description of the transaction(s), including the name of the related party and nature of relationship, duration of the contract and particulars of the contract or arrangement, maximum amount of transaction that can be entered into, the material terms and conditions.
 - b. The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).
 - c. The manner of determining the pricing and other commercial terms, the indicative base price /current contracted price and the formula for variation in the price if any.

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- d. any advance paid or received for the contract or arrangement, if any and the approximate value of the transaction(s) and the approximate value of the Related Party's interest in the transaction(s).
- e. In the case of a lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments expected to be made in the financial year.
- f. In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.
- g. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors and any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).
4. Consent of the Board and the Shareholders would also be taken in respect of all RPTs, provided that such consent would not be required in the following cases:
- a. The transactions are entered into by the company in its ordinary course of business and are on an arms' length basis; and
- b. The transaction / transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.
5. Where Board consent / shareholders' approval is required as per para 4 above, a) the agenda of the Board meeting at which the resolution is proposed to be moved and b) explanatory statement to be annexed to the notice of such general meeting, shall disclose all such details / information about the contract as are prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.
6. Where RPTs require approval of the Board and the shareholders through resolution as per para 4 above, (a) any director who is interested in any contract or arrangement with a related party, shall not be present at the meeting during discussions on the subject-matter of the resolution relating to such contract or arrangement and b) such Related Party(ies) shall abstain from voting on such resolutions of the shareholders.
7. If a Related Party Transaction will be ongoing/ proposed to be entered into by the company, the Committee may grant omnibus approval for ongoing dealings/ proposed related party transactions. 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 variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.

If 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 one crore per transaction.

The Audit Committee shall lay down the criteria /guidelines for granting the omnibus approval in line with the policy on Related Party Transactions of the company. Such approval shall be applicable in respect of transactions which are repetitive in nature and only for one year and thus require fresh approval after the expiry of one year.

8. The Committee shall periodically review and assess ongoing relationships with the Related Party. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this Policy shall also be subject to subsequent review under this Policy.

9. The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate.

10. This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made thereunder, as may be in force for the time being as well as Clause 49 of the Listing Agreement or such other Rules / Regulations, as may be notified by SEBI from time to time.

11. This Policy shall be disclosed on the website of the Company www.superiorindustrial.in as per the requirement of Clause 49 OF Listing Agreement and a web link thereto shall be provided in the Annual Report of the Company. **Clause 49(VIII)(A)(2)**

REVIEW / AMENDMENT

The Board/Audit Committee may amend, abrogate, modify or revise any or all clauses of this Policy.

- Recommended by Audit Committee Meeting held on 15.01.2015
- Not approved at the Board Meeting due to expected changes in the provisions of Companies Act regarding related party transaction.
- Effective date: 26th May, 2015 (From the date of approval at Board Meeting)