

**KULKARNI POWER TOOLS LTD.,
Shirol – 416 103, Dist.Kolhapur**

POLICY ON RELATED PARTY TRANSACTIONS

The Board of Directors of KPT has adopted this policy on related party transactions in light of guidelines elaborated in the Companies Act, 2013.

There are some ongoing transactions with various related parties which have been perused and approved by the Board from time to time. Although such transactions are in the ordinary course of business and on arm's length basis, yet any modification or fresh arrangement with related parties as listed herein above shall be approved by the audit committee from time to time.

A related party transaction is a transfer of resources, services or obligations between a Company and a related party, irrespective of the price charged.

A 'related party' is a person or entity that is related to the Company in terms of section 2 (76) of the Companies Act, 2013.

Audit Committee shall give its prior approval for all Related Party Transactions entered.

The Audit Committee/ Board in their meeting shall decide about the new financial year's transactions which are of repetitive nature for giving omnibus approval. While giving such omnibus approval the Audit Committee / Board takes into account the following facts :-

1. Audit Committee to satisfy itself of the need for Omnibus Approval ("OA") as being in the interest of the Company
2. "OA" to specify
 - a. Names of Related Parties
 - b. Nature of transactions, period and maximum amount
 - c. Indicative base price/current or contracted price and formula for variation in price
 - d. Other conditions that the Audit Committee may deem fit.
3. If need for Related Party Transaction cannot be foreseen and details are not available, Audit Committee may grant OA subject to their value not exceeding Rs. 1 crore per transaction.
4. Audit Committee to review on a quarterly basis the details of the Related Party Transactions
5. OA to be valid for one year only.

The agenda of the Board/Audit meeting, at which any resolution pertaining to transactions with related parties, is proposed to be moved, shall disclose –

- a. the name of the related party and nature of relationship;
- b. the nature, duration of the contract and particulars of the contract or arrangement;
- c. the material terms of the contract or arrangement including the value, if any;
- d. any advance paid or received for the contract or arrangement, if any;
- e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f. 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
- g. any other information relevant or important for the Board to take a decision on the proposed transaction.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
