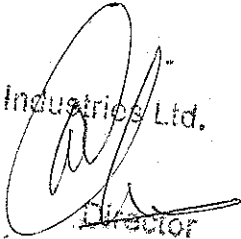


CORDS CABLE INDUSTRIES LIMITED

Policy on Related Party Transactions

This Document was approved by Board of Directors at its meeting held on April 01, 2015. First modification approved by Board of Directors on August 13, 2019 applicable from April 01, 2019. Second modification approved by the Board of Directors at their meeting held May 26, 2022.

For Cords Cable Industries Ltd.



Director

1. INTRODUCTION

The Board of Directors (the "Board") of Cords Cable Industries Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions (including materiality of related party transactions and dealing with related party transactions) as defined below. The Audit Committee will review and shall, from time to time, recommend amendments, if any, in this policy to the Board. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. PURPOSE

The Company has formulated this Related Party Transaction policy (this "Policy") in line with Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015 as amended by Securities and Exchange of India (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018 ("LODR Regulations"). The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations

3. DEFINITIONS

'Act' means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

"Arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm's length basis guidance may be taken from the transfer pricing provisions under the Income Tax Act, 1961

"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 purposes of this definition, the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement; and the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted in accordance with the requirements prescribed under the Act and LODR Regulations.

'Control' shall include 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.

"Board of Directors" or "Board" means the Board of Directors of Cords Cable Industries Limited, as constituted from time to time.

For Cords Cable Industries Ltd.


Director

"Key Managerial Personnel" (KMP) means Key Managerial Personnel as defined under the Companies Act, 2013 and the Rules made there under and includes:

- i. the Chief Executive Officer or the managing director or the manager;
- ii. the company secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment,
- vi. designated as key managerial personnel by the Board; and
- vii. such other officer as may be prescribed

'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

'Office or Place of Profit' means any office or place:

- a) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- b) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation, or otherwise."

"Policy" means this Policy on Related Party Transactions, as amended from time to time.

Transactions 'in ordinary course of business'

With particular reference to the company – Cords Cable Industries Limited, following transactions in the context of business of the company have been identified as Transactions 'in ordinary course of business' of the company. These are only example and not an inclusive list:

- (i) carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
- (ii) historical practice with a pattern of frequency;
- (iii) common commercial practice; or
- (iv) meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time

"Related Party" an entity shall be considered related to the Company if:

- (i) such entity is a related party under Section 2(76) of the Act ; or
- (ii) such entity is a related party under the applicable accounting standards.

Provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding of the Company shall be deemed to be a related party.

“Related Party Transaction” means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes the following either single or a group of transactions in a contract :

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods , materials, services or property;
- such related party's appointment to any profit or place of profit in the Co., its subsidiary Co. or Associate Co.; and
- underwriting the subscription of any securities or derivatives thereof, of the company.

“Relative”: “Relative”, with reference to any person, means anyone who is related to another, if—

- i. they are members of a Hindu Undivided Family;
- ii. they are husband and wife; or
- iii. one person is related to the other in such manner as may be prescribed;

As per Rule 4 of Companies (Specification of definitions details) Rules, 2014-

- A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- 1) Father : **Provided** that the term “Father” includes step-father.
- 2) Mother : **Provided** that the term “Mother” includes step-mother.
- 3) Son : **Provided** that the term “Son” includes step-son.
- 4) Son's wife.
- 5) Daughter.
- 6) Daughter's husband.
- 7) Brother : **Provided** that the term “Brother” includes step-brother.
- 8) Sister : **Provided** that the term “Sister” includes step-sister.

4. “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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Notwithstanding the above, [with effect from July 01, 2019] a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

4.1. Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is required to give notice of disclosure of interest under section 184 and 189 of the Companies Act 2013 alongwith list of relatives to the company. The Company

shall ensure that no transaction is entered into with any entity/ individual disclosed by the Director/ KMP without requisite approvals.

4.2. Review and Approval of Related Party Transactions

All Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. The Committee shall review the transaction and recommend the same for approval of the Board and shareholders, if required, in accordance with this policy.

The approval of Audit Committee, Board or shareholders, as may be required under this Policy shall be taken prior to entering into the Related Party Transaction.

Approval of Audit Committee

All Related Party Transactions shall require prior approval of Audit Committee either at a meeting or by resolutions by circulations.

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 grant the omnibus approval in line with this policy on Related Party Transactions (including criteria for granting omnibus approval) 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 variation in the price if any; and
 - (iii) 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.1 crore per transaction.

- d) The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Any member of the Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction. To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. *The Audit Committee shall be entitled to seek professional advice/ opinion relating to concerns, if any, in the above matter.*

Criteria for granting approval (including omnibus approval)

In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) whether the transaction is in the ordinary course of business of the company.
- (ii) whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (iii) whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (iv) whether the Related Party Transaction would affect the independence of the directors/KMP;
- (v) whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- (vi) where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company;
and
- (vii) whether the Related Party transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

Criteria for Arm's length Basis

- (viii) for any transaction with wholly owned subsidiary company or in cases where vendor is specific and multiple vendors may or may not be available, the transactions shall be considered to be on an arm's length basis in the following circumstances:

In case of Sale transaction by Cords Cable Industries Limited

Price is determined in accordance with the relevant transfer pricing norms/rules as per the Indian Income Tax Act;

In case of Purchase transaction by Cords Cable Industries Limited

Price is determined in accordance with the relevant transfer pricing norms/rules of the respective country;

- (ix) for transactions with Related Parties, other than wholly owned subsidiary company, in cases where vendor is not specific and also multiple vendors are available, the transactions shall be considered to be on an arm's length basis in the following circumstances:
 - clear specifications (including, inter alia, the quantity and quality) of the transaction are made available by the Company;
 - based on the quotation from different vendors (other than Related Parties) have been sought by the Company;

4.3 Approval of Board of Directors

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, shall require the approval of Board of directors. In addition to the above, the following kinds of transactions with related parties shall also be placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board's approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for its approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board's approval;
- Transactions meeting the materiality thresholds as laid down above in the Policy, which are intended to be placed before the shareholders for their approval;

Any member of the Board who is interested or has a potential interest in any Related Party Transaction will not be present at the meeting during discussions on the subject matter of the resolution relating to such Related Party Transaction.

4.4 Approval of Shareholders

All the material related party transactions as prescribed under Regulation 23 of LODR Regulations shall be approved by the Shareholders through an ordinary resolution. For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not. However, for the purpose of Regulation 23 of LODR Regulations, transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, does not require shareholder approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended from time to time, shall be placed before the shareholders for their approval.

4.5 Transactions not requiring approval of Audit Committee, Board or Shareholders Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board or Shareholders:

- i) Any transaction that involves the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and where all holders of such securities receive the same benefits pro rata as the Related Party.

4.6 Transactions not requiring approval of Board or Shareholders

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Board or Shareholders:

- i) Contracts entered into by the Company pursuant to section 297 of the Companies Act 1956, which already come into effect before the commencement of section 188 of the Companies Act, 2013, will not require fresh approval under section 188 of the Companies Act, 2013, till the expiry of the original term of such contracts. Thus, if any modification in such contract is made on or after April 1, 2014, the requirements under section 188 of the Companies Act 2013 will have to be complied with.
- ii) Transactions entered into by the company in the ordinary course of business with its wholly owned subsidiary, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

5. 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 consummation, the matter shall be reviewed by the Audit Committee. The Committee shall consider all 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. In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without its approval, the Audit Committee, may direct additional actions as appropriate, including but not limited to, immediate discontinuation or rescission of the RPT, or modification of the RPT to make it acceptable for ratification. With respect to review of an RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

6. INTERPRETATION

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence.

7. REPORTING AND DISCLOSURES

- 7.1. Details of all material Related Party Transactions shall be disclosed quarterly along with the compliance report on corporate governance.
- 7.2. The policy on dealing with related party Transactions shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.
- 7.3. A Register pertaining to Related Party Transactions shall be maintained by the company in accordance with the Companies Act, 2013, which shall be placed before the Board / annual general meeting as per the requirements of Companies Act, 2013.
- 7.4. Disclosure regarding Related Party relationship and transaction with them shall be made in the Financial Statements as per the requirements of relevant Accounting Standards.

8. MISCELLANEOUS

The right to interpret/ amend/ modify this Policy vests in the Board of Directors of the Company as may be recommended by the Audit Committee. *This Policy shall be communicated to all operational*

employees and other concerned persons of the Company and shall be placed on the website of the Company at www.cordscable.com

9. AMENDMENTS TO THE POLICY

In case there are any modification(s) / amendment(s) / notification(s) / circulars(s), guidance note(s), informal guidance(s) issued by SEBI / MCA or judgements made by the Tribunal or any Court which has the effect of amendment in the Regulation(s) / Section(s) / Rule(s) made thereunder. The Chief Financial Officer and/or Company Secretary and/or Managing Director is/are authorized to make amendments in the Policy / Code as to the extent applicable. The amended Policy / Code shall be taken note by the Board of Directors/Committee members in their ensuing Board Meeting/Committee Meeting.

For Cords Cable Industries Ltd.



Director