

# **CORDS CABLE INDUSTRIES LIMITED**

## **Policy on Related Party Transactions**

The above policy was approved by the Board of Directors at its meeting held on **April 01, 2015**. The particulars of amendments in the policy are as follows:

<b>Particulars</b>	<b>Date of Approval by the Board</b>	<b>Effective from</b>
First amendment	August 13, 2019	April 01, 2019
Second amendment	May 26, 2022	April 01, 2022
Third amendment	May 27, 2025	May 27, 2025

**[IN TERMS OF REGULATION 23 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

**1. Introduction**

Cords Cable Industries Limited has formulated this Related Party Transaction policy (this "Policy") in line with the Companies Act, 2013 (the "Act") read with the Companies ("Meetings of Board and its Powers") Rules, 2014 ("Rules"), and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015("LODR Regulations") as amended from time to time.

This policy has been re-adopted by board of directors in its meeting held on May 27, 2025 and shall be effective from May 27, 2025 in line with SEBI Listing Regulations, 2015.

The Board of the Company has adopted the following policy and procedures to regulate transaction(s) between the Company and its Related Party (ies) and also will determine the materiality of the transactions based on laws and regulations applicable to the Company.

**2. Objectives**

This policy is framed as per requirement of Regulation 23 of SEBI Listing Regulations, 2015 and also enshrines the requirement under Section 188 of Companies Act, 2013 and rules made thereunder, both as may be amended and applicable from time to time and is intended to ensure the proper approval and reporting of transaction(s) between the Company and its Related Party(ies). Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

**3. Definitions**

Definitions of some of the key terms used in this Policy are given below:

- a) **'Act'** means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- b) **'Arm's Length Transaction'** means a transaction between the Company and its Related Party(ies) (*defined hereinafter*) that is conducted as if they were unrelated, so that there is no conflict of interest. The term **'Arm's Length'** shall be construed accordingly.
- c) **'Audit Committee' or 'Committee'** means the committee constituted by the Board of the Company as per provisions of the Act and the SEBI Listing Regulations.
- d) **'Board' or 'Board of Directors'** means the board of directors of Cords Cable Industries Limited.

e) **'Company'** or **'the Company'** means Cords Cable Industries Limited.

f) **'Director'** means a director appointed on the Board of the Company.

g) **'Key Managerial Personnel' or 'KMP'** in relation to the company means:

- (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, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed under the Act.

h) **'Material Related Party Transaction'** means a transaction with a Related Party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand (1000) crore or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such sum as may be prescribed under SEBI Listing Regulations, 2015 and as amended from time to time.

Notwithstanding the above, any transaction involving payment made to a Related Party with respect to brand usage or royalty shall also be considered a Material Related Party Transaction, if the transaction(s) to be entered into either individually or taken together with previous transactions during a financial year, exceed five percent (5%) of the annual consolidated turnover of the Company as per the Company's last audited financial statement.

i) **'Material Modification'** Material modification will mean and include any modification to an existing related party transaction having variance of 50% of the existing limit as sanctioned by the Audit Committee.

j) **'Policy'** means this Related Party Transactions Policy.

k) **'Related Party'** has the meaning as assigned to it under the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

l) **'Related Party Transaction' or 'RPT'** has the meaning ascribed to it under Regulation 2(1)(zc) of the SEBI Listing Regulations and shall include transactions given in clause (a) to (g) of Section 188(1) of the Act.

m) **'Stock Exchanges'** means the stock exchanges where the specified securities of the Company are listed.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act read with the rules made thereunder, the SEBI Listing Regulations and any other applicable laws or regulations for the time being in force.

## **4. POLICY**

### **4.1 Identification of Related Parties**

Each Director and KMP shall be required to give notice of disclosure of interest under section 184 and 189 of Companies Act, 2013 in form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all persons, entities, firms in which he/she is interested, whether directly or indirectly alongwith the list of relatives.

The Board / Audit Committee will determine whether the transaction requires compliance with the policy or not.

### **4.2 Prior Approval / Approval of Audit Committee**

- a) All the Related Party Transactions to which the Company is a party and subsequent modifications thereto shall require prior approval of the Audit Committee; provided, that only those members of the Audit Committee, who are independent directors, shall approve such Related Party Transaction(s).

while considering any modification in any related party transaction, the Audit Committee shall consider the following:-

- need for the modification and factors on account of which modification is necessary;
- whether subject of modification could have been assessed at the time of approval of original transaction itself.

Prior approval of the Audit Committee shall not be required for transactions relating to remuneration and sitting fees paid by the Company to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of this policy.

- b) Where the Audit Committee does not approve the Related Party Transactions, other than prescribed in clauses (a) to (g) of Section 188(1) of the Act, it shall make its recommendations to the Board for approval.
- c) The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;

- (ii) the transaction is not material in terms of the provisions of this policy;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- d) Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction shall abstain from discussion and voting on such Related Party Transaction.

#### **4.3 Omnibus Approval**

1. The Audit Committee shall lay down the criteria/Policy and Guidelines for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
2. The Audit Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down under Section 177(4) (iv) of the Act and Regulation 23 of the SEBI (LODR) Regulations, 2015, for the transaction which are repetitive in nature and the audit committee shall satisfy itself regarding the need/justification of such transaction(s) and such transaction(s) being in the best interest of the Company, post approval of the Board, provides Omnibus Approval for such transaction(s) fulfilling the criteria as mentioned herein below:
  - All Related Party Transaction(s) with the Related Party (ies) fulfilling the criteria therein in regard to name of related parties, nature and duration of transaction, maximum value of transaction that can be entered into, indicative base price, current contracted price, formula for the variation in the price, if any, etc. may be entered into by the Company, from time to time.
  - All Related Party Transaction(s) with the Party(ies) may not be foreseen and aforesaid details are not available at the time of entering into such transaction(s) may be entered into upto a value not exceeding Rupees One Crore per transaction in a financial year, by the Company.
  - The Audit Committee may also do such acts and deeds, and things including but not limited to delegating such powers to such authorized person(s) authorizing for entering, executing, signing such agreements, undertakings, letters, documents, papers etc. and/or to do all such other things and deeds

for giving effect to the above referred Transaction(s) approved under the Omnibus Approval Route.

3. A statement of Related Party Transaction(s) entered here under during the relevant quarter, shall be placed before the Audit Committee for its review and noting, on a quarterly basis at the meeting considering the quarterly/half yearly/annual Financial Results of the Company.
4. This Omnibus Approval as contemplated herein above shall be put up for the approval of Audit Committee on annual basis and as and when required.
5. Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction shall abstain from discussion and voting on such Related Party Transaction.
6. Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting of the Audit Committee during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.

#### **4.4 Approval of Board of Directors**

- A) The following contract or arrangement with a Related Party which are not in the ordinary course of business or are in the ordinary course of business but are not on Arm's Length basis shall require prior approval of the Board given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed:
  - (i) sale, purchase or supply of any goods or materials; or
  - (ii) selling or otherwise disposing of, or buying, property of any kind; or
  - (iii) leasing of property of any kind; or
  - (iv) availing or rendering of any services; or
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property; or
  - (vi) such Related Party's appointment to any office or place of profit in the Company, its Subsidiary or Associate Company; or
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company.
- B) All the Material Related Party Transactions and subsequent Material Modifications thereto shall be considered and approved by the Board before the same are considered by the shareholders for their prior approval.
- C) Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the Board meeting during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.

#### **4.5 Approval of Shareholders**

- A) Any contract or arrangement set out in clause 4.4 (A) above, which requires Board approval & exceeds the limits as prescribed under Section 188 of the Act, shall be placed for shareholders' approval by way of a resolution. Any shareholder who is a related party in the context of such contract or arrangement for which the resolution is being passed, shall abstain from voting on the resolution to approve such contract or arrangement.
- B) Pursuant to the provisions of Regulation 23 of the SEBI Listing Regulations, all Material Related Party Transactions and subsequent Material Modifications thereto shall require prior approval of the shareholders and their approval will be sought by way of a resolution. No Related Party(ies) shall vote to approve such resolution, irrespective of whether the entity is a related party to the particular transaction or not.

#### **4.6 Effect on Related Party Transactions not approved under this policy**

- a) In the event the Company becomes aware of a RPT that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Audit Committee and the Audit Committee shall consider all relevant facts and circumstances regarding the RPT, evaluate all options available to the Company, including ratification, revision or termination of the RPT. 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.
- b) Whenever there is any doubt with regard to transaction(s) with Related Party(ies) and/or the applicable corporate governance requirements, the Audit Committee/ Board shall be entitled to seek a legal opinion/clarification for the same.
- c) The Audit Committee shall consider all relevant facts and circumstances regarding a Related Party Transaction placed before it.

#### **4.7 Ratification of Related Party Transactions by Board and/or shareholders of the company**

where any contract or arrangement is entered into by a director or any other employee without obtaining the consent of the Board or shareholders pursuant to Section 188 (1) of the Act and if is not ratified by the Board and/or shareholders within 3 months from the date of contract or arrangement, such contract or arrangement shall be voidable at the option of the Board. If such contract or arrangement is with related party to director or is authorized by any director, the directors concerned shall indemnify the Company against any loss incurred.

#### **4.8 Transactions not requiring Approval**

Notwithstanding the foregoing, the following Related Party Transaction(s) shall not require approval of Audit Committee or Board or Shareholders:

1. Transactions entered into between two public sector companies.
2. Any transaction(s) entered into by the Company with its wholly owned subsidiaries, whose accounts are consolidated with the Company and place before the shareholders at the general meeting for approval.
3. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
4. Any transaction(s) that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses, payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
5. Transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.
6. Any transaction(s) in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
7. All Related Party Transactions(s) or Transaction(s) with Related Party(ies) or Related Party(ies) which are exempted from such noting, approval etc., by or under the Companies Act, 2013 and Rules made thereunder and/or SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 both as amended and applicable from time to time, shall also be exempted under this Policy.

#### **5. Disclosures**

- a) Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report.
- b) Details of all Related Party Transactions shall be disclosed to the Stock Exchanges in the prescribed format every six months on the date of publication of the Company's half yearly standalone financial results, and the Company shall publish the same on its website.
- c) This Policy shall also be uploaded on the website of Company and a web link thereto shall be provided in the Annual Report of the Company.



- d) The Company shall keep one or more registers, giving separately the particulars of all contracts or arrangements with Related Party in which Director(s) are interested in compliance with the provisions of the Act.

**6. Existing Contracts, if any**

The Policy shall operate prospectively and all the Contracts entered into by company, after making necessary compliances under the Companies Act, 1956, which already came into effect before the commencement of the Companies Act, 2013, i.e. April 1, 2014, will not require fresh approval till the expiry of the original term of such contracts. However, any agreement for material transactions which has been already approved and continued to be operational beyond March, 2015, will require fresh approval of shareholders.

**7. Authority/ Policy Review**

This Policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of SEBI Listing Regulations, 2015.

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new 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 Vice President (Banking and Finance) 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.

The amendments being made shall be effective from May 27, 2025.

The Amended Policy was approved on May 27, 2025.

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