

## R R KABEL LIMITED

### POLICY ON RELATED PARTY TRANSECTIONS

#### 1. Preamble

The Board of Directors (the "Board") of R R Kabel Limited (the "Company" or "RRKL"), has approved the following policy and procedures with regard to "RPT"s. The Board may reviews and amend this policy from time to time based on the recommendation of the Audit Committee.

This policy is to regulate transaction between the Company and to Related Parties based on the applicable laws and regulations applicable to the Company.

#### 2. Purpose

This policy is framed to ensure that the requirements of Section 188 of the Companies Act, 2013 are properly complied and intended to ensure the proper approval, disclosure and reporting requirements of transactions between the Company and the Related Parties.

Such "RPT" are considered appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements and in the Annual Report certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

#### 3. Definitions

"Audit Committee or Committee" means Committee of Board of Director of the Company constituted under provisions of Section 177 of the Companies Act, 2013.

"Board" means Board of Director of the Company.

"Key Managerial Personnel" means Key Managerial Personnel as defined under Section 203 of the Companies Act, 2013 and include

- Managing Director, or Executive Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Company Secretary
- Chief Financial Officer

“Policy” means “Related Party Transactions” Policy.

“RPT” means “Related Party Transactions”.

“Related Party” means related party as defined Under Section 2(76) of Companies Act, 2013 which are as follows:

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

1. a Director or his Relative;
2. a Key Managerial Personal or his Relative;
3. a Firm, in which a Director, Manager or his Relative is partner;
4. a Private Company in which a Director or Manager is a Member or Director;
5. a Public company in which a Director or Manager is a Director and holds along with his relatives, more than two percent of its paid up capital;
6. any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;
7. any person under whose advice, directions or instructions a Director or Manager is accustomed to act:

Provided that nothing in sub-clauses 6 & 7 shall apply to the advice, directions or instructions give in professional capacity;

8. Any Company which is –
  - A holding, subsidiary or associate Company of such company; or
  - A subsidiary of a holding Company to which it is also a subsidiary;
9. Director or Key Managerial Personal of the holding Company or his relative with reference to a Company; or
  - has control or joint control or significant influence over the Company; or
  - is a Key Managerial Personal of the Company or of a parent of the Company; or

2. An entity is related to Company if any of the following conditions applies:

The entity is a 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 association 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 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 of a parent of the entity); or

“RPT” means a transaction directly or indirectly involving any Related Party and which includes a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged or not.

3. “Relatives” means relative as defined under Section 2(77) of the Companies Act, 2013 and include anyone who is related to another, if-
- i) They are members of Hindu Undivided Family;
  - ii) They are husband and wife;
  - 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)

#### 4. Policy

This policy sets forth the guidelines towards adherence to various compliances requirement as per the Applicable Law covering but not limited to identifications, approvals and disclosure of “RPT”s.

I. Identification of Related Parties:

The Company shall identifies the related party as per the definition of related party as mentioned above.

The Company shall maintain a list of related parties and reviews the same at least once in a year.

II. Identification of "RPT"s

As a Policy, Company will periodically identify transactions with related parties for the consent of the Audit Committee, Board of Directors and Shareholders, as applicable.

Currently, the Company has identified the related parties transactions and categorized them into the following segments:

- Transactions pertaining to Leasing of premises.
- Transactions pertaining to sale and purchase of Goods/ Fixed Assets/ Services.
- Transactions pertaining to Reimbursement/Recovery of Expenses.
- Transactions pertaining to borrowings from Directors & Relatives.

III. Mechanism of Transactions with Related Parties:

All "RPT" and in particularly the RTPS Categorized in 4 segments as listed in Section 2 above, the Company will take steps like calling Quotations from non related parties and compare the same to establish that the same are not only at Arm's Length Price and also in the routine course of Companies Business.

IV. Approval for Transactions with Related Parties

Before undertaking any transaction, the company shall determine whether a transaction does, in fact, constitute a "RPT"s requiring compliance under the Law and this policy and if so, ascertain in which of the following categories such transaction falls in order to determine the approval requirements:

- (i) All transactions with related parties which are in the ordinary course of business and are concluded at arm's length shall be entered into with approval of the Audit Committee as required under the Law.

(ii) All Transactions with related parties which are not in the ordinary course of business or not at arm's length pricing or the both will be put up to Audit Committee for approval of the board as required under the law. In case the transaction exceeds the prescribed thresholds Limit as mentioned below, it will also be put up for prior approval of Shareholders through special resolutions.

(iii) In accordance with Section 188 of the Companies Act, 2013 read with related rules Limits of material transactions are as under:

Transactions covered	Transaction value
sale, purchase or supply of any goods or materials directly or through appointment of agents *	exceeding 25% of Turnover or Rs. 100 Crore, whichever is lower
selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents *	exceeding 10% of Net Worth or Rs. 100 Crore, whichever is lower.
leasing of property of any kind*	exceeding 10% of Turnover or Net Worth or Rs. 100 Crore, whichever is lower
availing or rendering of any services directly or through appointment of agents *	availing or rendering of any services directly or through appointment of agents *
such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company	monthly remuneration exceeding Rs. 2.5 Lakh
Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company*	exceeding 1% of Net Worth

\* The limits shall apply for these transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

Explanation - The Turnover or Net Worth referred above shall be on the basis of the Audited Financial Statement of the preceding financial year.

The company will ensure that requisite evidence and documentation are made available to the Audit Committee/Board, a may be required by them, to demonstrate that the transactions are conducted on arm's length biases and are in ordinary course of Business.

5. Disclosure and Reporting of Material Related Party Transaction:

- i. Details of the "RPT"s during the Quarter shall be disclosed in the Audit Committee and Board Meeting.
- ii. Directors Report shall contain details of "RPT"s as required under the Law.
- iii. This Policy shall be communicated to all concerned persons of the company at all locations for implementation and shall be hosted on the website of the Company.