



POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

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UNIVERSAL CABLES LIMITED

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UNIVERSAL CABLES LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

TITLE

This Policy shall be called 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions'.

COMMENCEMENT

The Policy has been suitably modified and approved by the Board of Directors in its meeting held on February 10, 2025, in accordance with the amended provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OBJECTIVE

The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") require the companies to have enhanced transparency and due process for approval of the Related Party Transactions.

Pursuant to Regulation 23(1) of the Listing Regulations, the listed company shall formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

This policy is intended to ensure the proper approval and reporting of transactions between the Company and any of "Related Party" as defined below:

DEFINITIONS

"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 as defined in explanation (b) to Section 188 (1) of the Companies Act, 2013.

"Audit Committee" means the audit committee constituted by the Board of Directors of the Company in accordance with Section 177(1) of Companies Act, 2013 and Regulation 18(1) of the Listing Regulations.

"Board" means the Board of Directors of Universal Cables Limited.

"Company" means Universal Cables Limited.

“Key Managerial Personnel” in relation to the Company means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013 and/or Regulation 2(1)(o) of the Listing Regulations.

“Material modification” shall mean and include any modification to an existing related party transaction which result in change in the nature of the transaction; and/or variance exceeding 20% in the prices/quantity/transaction value as sanctioned/approved by the Audit Committee / Board / Shareholders, as the case may be; or any other modification, which the Audit Committee may, at its sole discretion, declare as ‘Material Modification’.

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. Provided further that notwithstanding the above, 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 Company as per the last audited financial statements of the Company.

“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/she 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 (hereinafter referred to as “person”), if such person receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

“Policy” means this Policy, as amended from time to time.

“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in Section 2(76) of the Companies Act, 2013 and/or Regulation 2(1)(zb) of the Listing Regulations.

“Related Party Transaction” in relation to the Company means a transaction with a Related Party under the relevant provisions of the Companies Act, 2013 and/or Regulation 2(1)(zc) of the Listing Regulations.

“Senior Management” in relation to the Company means a senior management as defined under Regulation 16(1)(d) of the Listing Regulations.

APPROVAL OF RELATED PARTIES TRANSACTIONS

Prior approval of the Audit Committee of the Company will be required for all related party transaction and subsequent material modifications.

Only those members of the audit committee, who are independent directors, shall approve Related Party Transactions.

However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, does not exceed rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

The omnibus approval shall be subject to the following conditions:

- (a) such omnibus approval shall be applicable in respect of transactions which are repetitive in nature;
- (b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
- (c) the omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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, the audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- (d) the audit committee shall review, at least on a quarterly basis, the details of Related Party Transaction entered into by the Company pursuant to each of the omnibus approvals 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.
- (f) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Payment of remuneration and sitting fees 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 this policy.

Where any director is interested in any Related Party Transaction, such director will not participate during discussion and voting on the subject matter of the resolution relating to such transaction at the meeting.

All Material Related Party Transactions and subsequent material modifications shall require prior approval of shareholders of the Company through resolution and no Related Party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

No such prior approval of the audit committee and / or the shareholders shall be required in the case of transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges, entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

All Related Party Transactions (other than Material Related Party Transactions) pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or are not Arms' length transactions and cross the threshold limits prescribed under Companies Act, 2013 shall also require the prior approval of shareholders of the Company and no member of the Company shall vote on such resolution(s), to approve any contract or arrangement which may be entered into by the Company, if such member is a related party. The Related Party for the purpose shall be construed with reference to/in the context of the contract or arrangement for which the resolution(s) is being passed.

The approval mechanism for Related Party Transactions shall be as stipulated in the Listing Regulations and/or the Companies Act, 2013 as amended from time to time.

RATIFICATION OF RELATED PARTY TRANSACTIONS

In exceptional cases, where a prior approval is not taken for any Related Party Transaction due to an inadvertent omission or due to unforeseen circumstances or emergent situations, the members of the Audit Committee, who are independent directors, may ratify such 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 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 Regulation 23(9) of the Listing Regulations; and
- (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 Company against any loss incurred by it.

AMENDMENTS

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Listing Regulations, Companies Act, 2013 or Rules framed thereunder, the SEBI Act or Rules and Regulations framed thereunder, Accounting Standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.
