



COSMIC CRF LIMITED

CIN NO. L27100WB2021 PLC250447

Phone No. +91 33 79647499 • E-mail: info@cosmiccrf.com • www.cosmiccrf.com

RELATED PARTY TRANSACTIONS POLICY

1. Purpose of this policy:

Cosmic CRF Limited (“CCL” or “Company”) is governed, amongst others, by the rules and regulations framed by Securities and Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions (“RPT”) and also on dealing with Related Party Transactions.

- A. Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.
- B. The Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Company (“Audit Committee”) shall review the Policy once in three years and may amend the same from time to time.

2. Definitions

- A. “**Act**” shall mean the Companies Act, 2013 and includes any amendment thereof.
- B. “**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
- C. “**Material RPT**”- means an RPT with thresholds as prescribed under the Listing Regulations.
- D. “**Ordinary course of business**” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

3. Who is a Related Party

The term Related Party is defined under Section 2 (76) of the Act, which includes

Related Party with reference to a Company, means;

- a Director or his relative;
- a Key Managerial Personnel or his relative
- a firm, in which a director, manager or his relative is a partner;
- a private company, in which a director or manager or his relative is a member or director;
- a public company, in which a director or manager is a director and holds along with his relatives more than 2% of its paid up share capital
- 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;
- any person on whose advice, directions or instructions a director or manager is accustomed to act:
- Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.
- any Body Corporate which is-
 - a holding, subsidiary or an Associate Company of such company
 - a subsidiary of a holding company to which it is also a subsidiary;
 - an investing Company or the venture of the Company;

Explanation: for the purpose of this clause, “the investing Company or the venture Company” means a body corporate whose investment in the Company would result in the Company becoming an associate company of the body corporate”

- Such other persons as may be prescribed - A director (other than an Independent Director) or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

Associate Company: A company in which other company has a significant influence, but which is not subsidiary company of the Company having such significant influence and includes a Joint Venture company.

Further in terms of Regulation 2(1) (zb) of the LODR, the term Related Party shall also include the related parties covered under applicable accounting standards and any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the Company.

4. What is Related Party Transaction

- a) a transaction entered by the Company with Related Party which is of the nature specified in clause (a) to (g) of sub-section (1) of Section 188 and clause (iv) of sub-section (4) of Section 177 of the Act, as may be amended from time to time; and
- b) a transaction involving a transfer of resources, services or obligations between the parties as specified in Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015, regardless of whether a price is charged and a “transaction” with a Related Party shall be construed to include a single transaction or a group of transactions in a contract, except those which have been exempted under the SEBI (LODR) Regulations, 2015, and such transactions as may be specified by SEBI (LODR) Regulations, 2015 and/or the Act from time to time.
 - i. **“Relative”** means relative as defined in the Act, and rules prescribed thereunder.
 - ii. **“SEBI (LODR) Regulations, 2015”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- c) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the SEBI (LODR) Regulations, 2015, as amended from time to time, shall have the meaning respectively assigned to them therein.

5. Identification of Related Parties and the Related Party Transactions

- i. Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall,
 - a. at the time of appointment;
 - b. periodically – as required by the Company or applicable laws; and
 - c. whenever there is any change in the information already submitted,

Provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction that the Board/Audit Committee may reasonably request.

6. Review and approval of Related Party Transaction

Approval of Related Party Transactions

A. Audit Committee

All the transactions which are identified as Related Party Transactions and



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subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval

- Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall excuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.
- The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.
- A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.
- The Audit Committee shall also pre-approve related party transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value crosses the thresholds as prescribed under the Listing Regulations.



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B. Board of Directors

- In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

- If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

D. The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

E. 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 Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

F. Reporting of Related Party Transactions

- Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement



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- The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

7. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy



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