

MUKAND LIMITED

Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions

[pursuant to SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Status

Regulation 23 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) requires a listed company to formulate a Policy on Materiality of Related Party Transactions and also on dealing with such Related Party Transactions. Accordingly, the existing Policy on Materiality of Related Party Transactions, formulated pursuant to clause 49 of the Listing Agreement and approved by the Board of Directors at its meeting held on 13th August, 2014 and amended at its meeting held on 10th November, 2014, is hereby modified as under :

2. Policy

- A.** All Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and Clause 49 of the Listing Agreement will be approved by the Audit Committee of the Board from time to time.
- B.** Consent of the Board and the Shareholders would be taken in respect of all RPTs, except in the following cases :
 - i. Where the transactions are below the threshold limits specified in the Companies Act 2013 & Rules thereunder or the Listing Agreements, as may be applicable; or
 - ii. Where the transactions are entered into by the company in its ordinary course of business and are on an arms' length basis; or

iii. Where the transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

C. All RPTs will require the approval of Audit Committee. The Audit Committee may grant omnibus approval to RPTs in the following manner:-

i. The Audit Committee will have the authority to specify the criteria for making an omnibus approval for RPTs proposed to be entered into by the Company.

ii. The Audit Committee will consider following criteria while granting omnibus approval:-

a) Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year;

b) Maximum value per transaction which can be allowed;

c) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

d) Review, at such intervals as the Audit Committee may deem fit, of related party transactions entered into by the company pursuant to each of the omnibus approval;

e) Transactions which cannot be subject to omnibus approval by the audit committee.

iii. The Audit Committee shall consider following factors while specifying the criteria for omnibus approval:-

i. Such approval shall be applicable in respect of transactions which are REPETITIVE in nature; and

ii. Justification for the need of omnibus approval.

iv. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.

v. The omnibus approval of the Audit Committee shall contain or indicate the following:-

- (i) The name(s) of the related party/ies;
- (ii) Nature and duration of the transaction;
- (iii) Maximum amount of transactions that can be entered into;
- (iv) The indicative base price / current contracted price and the formula for variation in the price, if any; and
- (v) such other conditions as the audit committee may deem fit.

vi. The Audit Committee may call for any other information relevant or important to take a decision on the proposed transaction from the Company.

vii. Approval of Omnibus transaction without fulfilling the above criteria:

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 rupees One Crore per Transaction.

viii. The Audit Committee shall review, atleast on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

ix. Omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

x. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

xi. The Audit Committee may stipulate any other conditions as it may deem fit while granting omnibus approval.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules thereunder, SEBI LODR Regulations and other applicable provisions for the time being in force.

3. Review of the Policy

The Committee and/ or Board may review, alter, amend or modify the Policy from time to time in line with the requirement of the Companies Act, 2013, SEBI LODR Regulations or any other statutory provisions applicable to the Company.

Place: Mumbai

Date: 11 February, 2016

Sd/-

Niraj Bajaj

Chairman & Managing Director