

## MUKAND LIMITED

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

#### Background:

Pursuant to Regulation 23 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), the Board at its meeting held on 11 February 2016 had approved a Policy on Materiality of Related Party Transactions. Vide notification dated 9 May 2018, SEBI has notified certain amendments effective from 1 April 2019 requiring certain changes to be made in the Policy. In supersession of the existing Policy, the Policy on Materiality of Related Party Transactions is accordingly being revised as under:

#### Policy:

1. Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and Regulation 23 of the SEBI LODR Regulations will be approved by the Audit Committee of the Board from time to time.
2. 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 SEBI LODR Regulations, 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. Payment made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed two percent of the annual consolidated turnover as per the last audited financial statements of the company.
  - iv. 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.

3. Notwithstanding the above, approval of the Board and shareholders would be necessary, where the transaction(s) with a related party exceed the following threshold limits:

Description	Threshold limits (Rs. in Crore)
Sale, purchase or supply of any goods or materials or securities	1,000
Selling or otherwise disposing of or buying of any property including by way of lease and license arrangement	
Availing or rendering of any services	

The above policy is subject to review from time to time and at least once in every three years.

Place: Mumbai

Date: 12<sup>th</sup> February, 2019

Niraj Bajaj

Chairman & Managing Director

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