

**MINAXI TEXTILES LIMITED**  
**CIN : L17119GJ1995PLC025007**

**POLICY FOR DEALING WITH RELATED PARTY TRANSACTIONS**

**Revised w.e.f. 01.04.2019**

**1. Introduction and Background**

Minaxi Textiles Limited (the “company”) recognizes that the related party transactions can present potential or actual conflicts of interest which may be against the best interest of the company and its shareholders.

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a company to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

**2. Scope & Inclusion**

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

**3. Definition of Material Related Party Transaction(s)**

Contracts/ arrangements with the related party shall be considered as “material related party contracts/ arrangements if the transaction(s) to be entered into individually or taken together with the previous transactions during the financial year, exceeds 10% of the Annual Consolidated Turnover of the listed entity as per last audited financial statements.

**4. Definition**

“**Related Party**” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

**“Relative”** means relative as defined under Section 2(77) of the Companies Act, 2013.

Relative means,

(A) With reference to any person, anyone who is related to another, if :

1. they are members of a Hindu Undivided Family;
2. they are husband and wife; or

(B) A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

1. Father including step-father
2. Mother including step-mother
3. Son including step-son
4. Son's wife
5. Daughter
6. Daughter's husband
7. Brother including step-brother
8. Sister including step-sister

**“Related Party Transaction”** means a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and also includes the transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following headings :

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Transfer of research and development;
- License agreements;
- Finance (including loans and equity contributions in cash or kind);
- Guarantees and collaterals;
- Management contracts including for deputation of employees.

## 5. Policy

All related party contracts/ arrangements shall be entered on arm's length basis.

In the exceptional circumstances, where permitted by law, related party contracts/ arrangements may deviate from the principle of arm's length, after approval from Audit Committee.

All related party transactions shall require prior approval of the Audit Committee.

All related party contracts/ arrangements shall comply with the Companies Act, 2013.

All related party contracts/ arrangements shall comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party contracts/ arrangements shall comply with the applicable Accounting Standards.

All domestic related party contracts/ arrangements shall, wherever applicable, comply with Domestic Transfer Pricing requirement under section 92BA of Income Tax Act,1961 including certification from Independent Accountants under the Transfer Pricing Regulations.

All international related party contracts/ arrangements, if any, shall comply with international Transfer Pricing requirement under section 92B of Income Tax Act,1961 including certification from Independent Accountants under the Transfer Pricing Regulations.

Approval of the Audit Committee shall be taken for related party contracts /arrangements as required under the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

## **6. Disclosures**

The company shall disclose, in the Board's Report, transactions prescribed in Section 188(1) of the Act with Related Parties, if any, which are not in ordinary course of business or arm's length basis alongwith the justification for entering into such transaction.

In additions to the above, the company shall also provide details of all related party transactions, if any, meeting the materiality threshold on a quarterly basis to the stock exchanges.

The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

Note : As the paid up equity share capital is not exceeding Rs.10 Cr and Net worth not exceeding Rs.25 Cr., as on the last day of the previous financial year as notified in Regulation 15(2) of Listing Regulations, the provision of Regulations 17,17A,18,19,20,21,22,23,24,24A,25,26,27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V are not / were not applicable to the company.