

MINAXI TEXTILES LIMITED
CIN : L17119GJ1995PLC025007

POLICY FOR DEALING WITH RELATED PARTY TRANSACTIONS

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. 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.

5. 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.