



MAWANA SUGARS LIMITED

**POLICY ON RELATED PARTY
TRANSACTIONS**

(Amended on 8.11.2025)



MAWANA SUGARS LIMITED
(CIN: L74100DL1961PLC003413)

POLICY ON RELATED PARTY TRANSACTIONS

1. Preamble

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

Accordingly, the Company has formulated this policy (Policy) on the materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.

The Board of Directors of the Company (“Board”) on the 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.

This Policy on the Related Party Transactions (the “Policy”) of the Company set forth the procedures to be followed for approval/ratification of Related Party Transactions in compliance with applicable laws and regulations.

2. Purpose

This policy is framed as per the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s)/amendment(s)/re-enactment(s) thereof) (“SEBI Listing Regulations”) read with Section 188 of the Companies Act, 2013 and Rules made thereunder (including any modification(s)/amendment(s)/re-enactment(s) thereof).

The Company intends that all Related Party Transactions are undertaken on Arm’s Length Basis in the best interest of the Company and all its shareholders. It also intends the proper approval and reporting of the Related Party Transactions.

3. Definitions

The terms included in this Policy shall have the meaning as defined under the Companies Act, 2013 read with SEBI Listing Regulations/other related laws, as amended and applicable from time to time.

- a) “**Audit Committee or Committee**” means Audit Committee of Board of Directors of the Company constituted under the provisions of SEBI Listing Regulations and Companies Act, 2013;
- 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) **“Associate Company”**, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a Joint Venture company;

Explanation- For the purposes of this clause, “significant influence” means control of at least twenty percent (20%) of total share capital, or control of business decisions under an agreement;

- d) **“Board” or “Board of Directors”** means Board of Directors of the Company, as constituted from time to time;
- e) **“Companies Act”** means the Companies Act, 2013 together with the rules and regulations formulated thereunder, as amended from time to time;
- f) **“Company”** means Mawana Sugars Limited;
- g) **“Key Managerial Personnel (“KMP”)** in relation to a company, means and includes -
- (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary;
 - (iii) The whole-time director;
 - (iv) Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013.
- h) **“Material Related Party Transaction”** means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.¹

In addition to this, any transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

- i) **“Ordinary course of business”** means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the ordinary course of its trade or business.



- j) "Related Party", with reference to a company, means:
- (i) a director or his Relative;
 - (ii) a KMP or the relative of such KMP;
 - (iii) a firm, in which a director, manager or his relative is a partner;
 - (iv) a private company in which a director or manager is a member or director;
 - (v) a public company in which a director or manager is a director and holds along with his Relatives, more than two percent (2%) of its paid-up share capital;
 - (vi) 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, unless given in a professional capacity;
 - (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act, unless given in a professional capacity.
 - (viii) any company which is –
 - a. a holding, subsidiary or an associate company of such company;
or
 - b. a subsidiary of a holding company to which it is also a subsidiary;
 - (ix) a director other than an independent director or KMP / their Relatives of the holding Company.
 - (x) such entity is a related party under the applicable Accounting Standards which states that Related parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Provided that:

- a. any person or entity forming a part of the promoter or promoter group of the Company; or
- b. any person or any entity, holding equity shares:
 - i. of twenty percent (20%) or more; or
 - ii. of ten percent (10%) or more;



in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party.

“Relative”, with reference to any person, means anyone who is related to another, if:

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) father, mother, son, son’s wife, daughter, daughter’s husband, brother, sister.
- (iv) Relative as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and rules prescribed there under.

k) **“Related Party Transactions” (RPTs) means:**

- (a) any contract or arrangement with a Related Party with respect to:
 - a. sale, purchase or supply of any goods or materials;
 - b. selling or otherwise disposing of, or buying, property of any kind;
 - c. leasing of property of any kind;
 - d. availing or the rendering of any services;
 - e. appointment of any agent for purchase or sale of goods, materials, services, or property;
 - f. such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - g. underwriting the subscription of any securities or derivatives thereof, of the company; and
- (b) a transaction involving a transfer of resources, services or obligations between:
 - a. Company or any of its subsidiaries on one hand and a Related Party of the Company or any of its subsidiaries on the other hand; or
 - b. Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a Related Party of the Company or any of its subsidiaries;



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.

4. **Determination of Material Related Party Transactions**

The Company has fixed the materiality threshold as defined in Clause 3(h) of this Policy.

5. **Approval of Related Party Transactions and subsequent modifications**

- (i) The Audit Committee defines "material modifications" as any change of 10% or more in the amount of any already approved Related Party Transaction
- (ii) All Related Party Transactions and any material modifications shall require the prior approval of the members of the audit committee of the Company in the prescribed format to the extent applicable.
- (iii) All other modifications to an approved related party transaction shall also be approved by the Audit Committee.
- (iv) Only those members of the audit committee who are independent directors shall approve the Related Party Transactions.⁷
- (v) A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent (10%) of the annual consolidated turnover, as per the last audited financial statements of the Company.
- (vi) A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent (10%) of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- (vii) The Audit Committee shall determine whether the Transactions are on Arms' Length Basis and in Ordinary Course of Business, while providing its approval.
- (viii) If the Audit Committee determines that the Transactions are not on Arms' Length Basis and not in Ordinary Course of Business, or are "Material", or in any case requires the Board' approval, then if it deem appropriate, may recommend such transactions to the Board for its approval.

Further, if the Board determines that such transactions are "Material", as per the criteria mentioned above, then it may recommend such transactions to the Shareholders of the Company for their approval.



(ix) All Material related party transactions and subsequent Material Modifications of such Material related party transactions shall require prior approval of the shareholders through resolution. The shareholders will be provided the minimum prescribed information along with the draft resolution for their consideration. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

(x) The Audit Committee may also provide an omnibus approval to such transactions, which are repetitive in nature, on such terms and conditions as it may deem fit, provided that such omnibus approval shall remain valid for period not exceeding one year and shall require fresh approvals after the expiry of one year.

The details of transactions for which the Audit Committee gives the omnibus approvals, shall be quarterly placed before the Committee, for its review.

(xi) Person/Department originating the Related Party Transaction shall ensure the compliance and will record/ store reasons/information to justify that the transaction is on Arm's Length Basis.

6. Amendments

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/ or SEBI Listing Regulations in respect of Related Party Transactions shall be implemented by the Company. The Audit Committee may recommend amendments to this Policy from time to time as it deems appropriate.

7. Disclosure

The Company shall submit and disclose to the stock exchange the Related Party Transactions in the Company's applicable filings as required by the Companies Act, 2013 and SEBI Listing Regulations and the said Policy shall be disclosed on Company's Website and in the Annual Report as prescribed.

8. Related Party Transactions Policy Amendments

In case of any subsequent changes in the provisions of the Companies Act or any other regulations, including the SEBI Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Companies Act or such other regulations, such provisions of the Companies Act or such other regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the Board at least once in every three years. The Board can from time to time authorize Directors to make changes in the policy due to regulatory or legal requirements and such changes made to be brought to the attention of the Board at the first meeting following the amendment.

9. Review

This policy shall be reviewed by the Board of Directors at least once every three years.

