

Pursuant to regulation 23(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

1. INTRODUCTION

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the

requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with Regulation 23(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mishtann Foods Limited has formulated revised guidelines with regard to materiality of Related Party Transactions and also on dealing with them.

Mishtann Foods Limited has revised its Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. OBJECTIVE

The objective of the Policy is to ensure compliance by way of proper disclosure, reporting and approval of transactions as applicable between the Company and any of its related party in the best interest of the Company and its stakeholders.

3. DEFINITIONS

"Act" means the Companies Act, 2013.

"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.

"Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down principles for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.

"Company" means Mishtann Foods Limited.

"Relative" with reference to a Director or KMP means the person as defined in Section 2(77) of the Act and rules prescribed there under.

"Related Party" means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act.

"Related party transaction" is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, including but not limited to the following:

- 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 rendering of any services;
- E. Appointment of any agent for purchase or sale of goods, materials, services or property;
- F. Appointment to any office or place of profit in the company A transaction shall be construed to include a single transaction or a group of transactions in a contract.

“Material Related Party Transactions” shall mean a with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“Key Managerial Personnel” shall mean the officers /employees of the Company as defined in Section 2(51) of the Companies Act, 2013.

“Employees” shall mean the employees and office-bearers of the Company, including but not limited to Directors.

“Director” means a person as defined in Section 2(34) of the Companies Act, 2013.

“Audit Committee” means the Committee of the Board formed under section 177 of the Act and Regulation 18 of SEBI (LODR) Regulations, 2015.

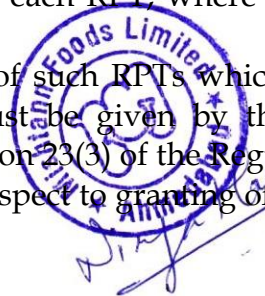
Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other applicable regulation.

4. RELATED PARTY TRANSACTION POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

ROLE OF AUDIT COMMITTEE

1. All transactions which are identified as a related party transactions (‘RPT’) should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the RPTs for its approval.
2. All RPTs shall require prior approval of the Audit Committee. Approvals may be of the following two types:
 - a. Specific approval, in case of each RPT, where the RPT is non-repetitive in nature; and
 - b. Omnibus approval, in case of such RPTs which are repetitive in nature. However such omnibus approval must be given by the Audit Committee subject to the requirements under Regulation 23(3) of the Regulations and the criteria lay down by the Audit Committee with respect to granting of the omnibus approval.



OMNIBUS APPROVAL BY AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- ❖ Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit; Provided that 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 Rs.1 crore per transaction.
- c. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- d. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals alter the expiry of one year."

Role of the Board of Directors of the Company

- The Board must monitor and manage any potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in RPTs.
- The Board must comply with the provisions of the Companies Act, 2013, with respect to the RPTs within the meaning of that Act.
- The Board must coordinate with the Audit Committee for effective compliance of the provisions relating to the RPT.

• It is the duty of the Board along with the Audit Committee to place all the material RPTs before the shareholders for their approval by means of a resolution.

5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction with a Related



Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

A transaction with a related party is considered material if the transaction transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

6. DISCLOSURE:

- All Directors/KMP are required to disclose the parties in which they are deemed to be interested in prescribed form.
- Further, each Director and KMP of the Company shall promptly notify the Secretarial Department of any material transaction or Relationship that could reasonably be expected to give rise to a conflict of interest.
- Every related party transaction, if required under law/ Listing Agreement shall be referred to in the Board's report along with the justification for entering into such contract or arrangement. The Company shall also maintain Register in the prescribed form.
- The company shall disclose the policy on dealing with Related Party Transactions on its website and a web-link thereto shall be provided in the Annual Report.

7. WHISTLE BLOWER FOR ANY RELATED PARTY TRANSACTION ENTERED BY COMPANY IN NON-COMPLIANCE OF SUCH POLICY:

Any officer or employee, can approach access / approach the vigil mechanism or Company Secretary to report a fraudulent related party transaction.



8. GUIDANCE PRINCIPLES FOR APPROVAL OF A RELATED PARTY TRANSACTION BY THE BOARD/COMMITTEE THEREOF:

To review a Related Party Transaction, the Board/Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other relevant matters. In determining whether to approve or a Related Party Transaction, the Board/Committee will consider the following factors, among others, to the extent relevant to the Related Party.

Transaction:

- ✓ Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- ✓ Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- ✓ Whether the Related Party Transaction would impair the independence of an otherwise Independent Director or Nominee of a Director;
- ✓ Whether the Related Party Transaction would present an improper conflict of interest for any Director, Nominee for Director or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, Nominee for Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's Nominee, Executive Officer's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant. In any case where either the Board/Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Board/Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Board/Committee has authority to modify or waive any procedural requirements of this Policy.

