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	<b>INDIA</b>	<b>Document Issue Date</b>	05.12.2025
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Policy on Related Party Transactions

Under Regulation 23(1)

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Listing Regulations)

**Registered Office:** Office no. 701, 7th Floor, Bonanza Building, Sahar Plaza Complex, Andheri Kurla Road, Andheri (East), Mumbai - 400059

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### **Scope and Purpose of the Policy**

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its stakeholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as 'the Listing Regulations'), Manorama Industries Limited ( "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, the Listing Regulations requires a Company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, Manorama Industries Limited has framed this 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.

### **Objective of the Policy**

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, the Listing Regulation and any other laws and regulations as may be applicable to the Company.

### **Definitions:**

**"Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013.

**"Arm's length transaction ('ALP')"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.


**"Board of Directors" or "Board"** in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013)

**"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

**"MIL" or "Company"** means Manorama Industries Limited, a Company incorporated under the Companies Act, 1956.

**"Material Modifications"** in relation to any transaction shall mean modification of such transaction resulting in change of more than 10% of the total monetary value of such transaction as last approved.

**"Material Related Party Transaction"** a transaction 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 the following:

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Consolidated Turnover of Company Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than ₹ 20,000 Crore to upto ₹ 40,000 Crore	₹ 2,000 Crore + 5% of the annual Consolidated turnover of the Company above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹ 3,000 Crore + 2.5% of the annual Consolidated turnover of the Company above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

**Explanation:** For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

Notwithstanding the above, a 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 Company as per the last audited financial statements of the Company.

**“Ordinary Course of Business”** means transaction will be considered in ordinary course if they are entered in the normal course of the business pursuant to the objects of the Company as per the Memorandum & Articles of Association of the Company.

**"Related Party"**, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations.

**"Related Party Transaction" (RPT)** means – transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 and as defined under Regulation 2(1)(zc) of Listing Regulations


A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

### **Materiality Thresholds**

If a related party transaction is (i) a material transaction as per the provisions of Regulation 23 and Schedule XII of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013 and Listing Regulations it shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a related party shall not vote to approve such related party transaction.

The Company has fixed the following materiality threshold for the purpose of Regulation 23(1), 23(1A) and 23(4) of the Listing Regulations:

- i. Payment to a Related Party with respect to brand usage or royalty – exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements.
- ii. Other transactions with a Related Party – as per the thresholds provided in Schedule XII of the Listing Regulations.

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## **Manner of dealing with Related Party Transactions**

### **a. Identification of related parties**

Manorama Industries Limited has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Companies Act, 2013 read with the Rules framed there under and the Listing Regulations.

### **b. Identification of related party transactions**

Manorama Industries Limited has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and the Listing Regulations. Manorama Industries Limited has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

### **c. Procedure for approval of related party transactions Approval of the Audit Committee**


All related party transactions and subsequent material modifications require prior approval of the Audit Committee.

Further only those members of the Audit Committee who are Independent Directors shall approve related party transactions.

The following transactions require prior approval of the Audit Committee:

- i. a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company itself is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction, exceeds the lower of the following:
  - ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
  - the threshold for material related party transactions of Company as specified in the definition mentioned above.
- ii. a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the Company shall be obtained if the value of such transaction exceeds the lower of the following:
  - ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
  - the threshold for material related party transactions of Company as specified in the definition mentioned above.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

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- iii. prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Sub-Regulation (2) of Regulation 15 of the Listing Regulations are applicable to such listed subsidiary.

Explanation- For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in

(iii) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

- iv. remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material as specified in the definition mentioned above.

**Omnibus approval:**

The Company may obtain omnibus approval from the Audit Committee for related party transactions proposed to be entered into by the Company or its subsidiary, subject to compliances with the following conditions:

The Audit Committee shall satisfy itself the need for such omnibus approval, repetitiveness of the transactions (in past or in future); and that such approval is in the interest of the company;

The 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 (for ex: +/- 5%) and
- iii) such other conditions as the Audit Committee may deem fit.


However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rupees One Crore per transaction;

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company or its subsidiary pursuant to each of the omnibus approval given;

Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;

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- Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum; Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;
- Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction; Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
  - a) Market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
  - b) Third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
  - c) Management assessment of pricing terms and business justification for the proposed transaction;
  - d) Comparative analysis, if any, of other such transaction entered into by the company.

Omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:


Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval

#### **Ratification of Transactions**

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ii) the transaction is not material in terms as specified above;
- iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of Listing Regulations
- v) any other condition as specified by the audit committee.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

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### **Approval of the Board of Directors of the Company**

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

### **Approval of the Shareholders of the Company**

All material related party transactions and subsequent material modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not

Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of Listing Regulations are applicable to such listed subsidiary.


For Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

The provisions of sub-regulations (2), (3) and (4) of regulation 23 of the Listing Regulations shall not be applicable in the following cases:

(a) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

(b) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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(c) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

(d) transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

The term 'holding company' used in clause (a) of this sub-regulation refers to and shall be deemed to have always referred to a listed holding company.

## Disclosures

Manorama Industries Limited shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis & which are material and at arm's length basis along with the justification for entering into such transaction.


Manorama Industries Limited shall disclose Related Party Transactions in every six months, along with its standalone and consolidated financial results for the half year, in the format specified under Regulation 23(9) of the Listing Regulations, and publish the same on its website

The remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material as specified above.]

## Related Party Transactions not approved under the Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

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## REVIEW AND AMENDMENT

The Policy shall be reviewed once in every three years as required under the Listing Regulations and as and when required by the Board to ensure that it meets the objectives of the relevant regulation and remains effective.

The Audit Committee shall review the related party transactions based on the minimum information provided as per SEBI Master Circular dated November 11, 2024 read with SEBI Circulars dated June 26, 2025 and October 13, 2025.

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

The Policy was reviewed by the Board of Directors at their meeting held on May 11, 2026.

## Manorama Industries Limited

