

**MCON RASAYAN INDIA LIMITED****Policy on Related Party Transactions**

(Updated in line with Regulation 23 of SEBI LODR and best practices)

1. Preamble

This Policy on Related Party Transactions (“Policy”) is framed in compliance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and applicable provisions of the Companies Act, 2013. The objective is to regulate transactions of the Company with its Related Parties to ensure transparency and compliance.

2. Objective

The purpose of this Policy is to:

- Define and identify Related Party Transactions (“RPTs”).
- Lay down the approval mechanism and reporting requirements for RPTs.
- Ensure that all RPTs are conducted at arm’s length and in the ordinary course of business.
- Set out the materiality thresholds in line with SEBI Listing Regulations.

3. Definitions

Terms not specifically defined herein shall have the same meaning as defined in the Companies Act, 2013 or SEBI Listing Regulations.

- Arm’s Length Transaction: A transaction between related parties as if they were unrelated, ensuring no conflict of interest.
- Related Party: As defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI Listing Regulations.
- Related Party Transaction: As per Section 188(1) of the Companies Act, 2013 and Regulation 2(1)(zc) of the SEBI Listing Regulations.
- Material Related Party Transaction:
 - A transaction exceeding 10% of the annual consolidated turnover (ACT) of the Company as per the last audited financial statements.
 - In case of brand usage or royalty, a transaction exceeding 5% of ACT.
- Ordinary Course of Business: Transactions undertaken in the normal business operations permitted by the Memorandum & Articles of Association.

4. Materiality Thresholds

- Brand usage or royalty: Material if value exceeds 5% of ACT.
- Other transactions: Material if value exceeds Rs. 1,000 crore or 10% of ACT, whichever is lower.

Registered Office: 101/A, 1st Floor, Maxheal House, Plot-169, Cts-104 Bangur Nagar, Goregaon West, Near Ayyappa Temple, Mumbai, Maharashtra - 400090

Corporate Office: Gala No 6 Bardanwala Estate, Nr Dutt Mandir Bandiwali Hill Road, Jogeshwari West, Mumbai, Maharashtra - 400102

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5. Identification and Review of Related Parties

- The Company Secretary shall, with the support of senior management, prepare a list of Related Parties.
- Directors/KMPs must disclose any changes in their relationships impacting RPTs at the first board meeting of the financial year or as and when such change occurs.

6. Approval Mechanism

6.1 Audit Committee Approval

- Mandatory prior approval for all RPTs and material modifications.
- Subsidiaries:
 - From April 1, 2022: Audit Committee approval is required if RPT by a subsidiary (not involving the listed entity) exceeds 10% of consolidated turnover.
 - From April 1, 2023: Audit Committee approval is required if it exceeds 10% of the standalone turnover of the subsidiary.
- Omnibus Approvals: Can be granted for repetitive transactions with valid criteria and must be reviewed quarterly.

6.2 Board Approval

- Board approval required under Section 188 of the Act if the transaction is:
 - Not in the ordinary course of business and
 - Not at arm's length.

6.3 Shareholder Approval

- Required for all material RPTs.
- Related parties shall abstain from voting.
- Exemptions:
 - Transactions with wholly owned subsidiaries whose accounts are consolidated and placed before shareholders.
 - Transactions between two wholly owned subsidiaries.

7. Disclosures

- Board's Report: Form AOC-2 disclosures.
- Stock Exchange:
 - Half-yearly disclosure in prescribed format.
 - Publishing on the Company's website.
- Corporate Governance Report: Disclosure of material RPTs.
- Register: Company shall maintain a register of RPTs.

8. Ratification of Transactions

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CIN NO: L24304MH2016PLC286140

Certified Company : An ISO 9001 : 2015 - An ISO 14001 : 2015 - AN BS OHSAS 45001 : 2018

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Any RPTs entered into without prior approval may be ratified by the Audit Committee or Board/Shareholders (as applicable) within three months. If not ratified, such transactions shall be voidable at the option of the Board, and the Related Party may be asked to indemnify the Company.

9. Review and Amendment of Policy

This Policy shall be reviewed periodically by the Audit Committee and any changes shall be approved by the Board of Directors. Amendments may also be made to align with any regulatory updates.

10. Conflict and Interpretation

In case of conflict between this Policy and applicable laws, the provisions of law shall prevail. The Audit Committee shall interpret and oversee the implementation of this Policy.

11. Website Disclosure

This Policy shall be hosted on the website of the Company:

<https://mconrasayan.com>

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