MEHAI TECHNOLOGY LIMITED

(Formerly Known As Mehai Technology Private Limited)

POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTION (RPT)

1. PREAMBLE:

The Board of Directors (the "Board") of Mehai Technology Limited (the "Company") has adopted the following policy and procedures with regard to Related Party Transactions (hereinafter referred as "RPT").

The Policy has been formulated in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulation") read with provisions of section 177 and 188 of the Companies Act, 2013 ("the Act") & relevant rules made there under as amended from time to time to regulate transactions between the Company and its related parties based on the laws and regulation applicable to the Company.

2. OBJECTIVE

The Policy is framed as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").The Objective of this policy is to set out the dealing with the transaction between the Company and its related parties as determined under the Listing Regulations 2015, the Companies Act 2013, and rules prescribed thereunder ("Act"), and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

a) **"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.

b) **"Board"** means Board of Directors of the Company.

c) **"Audit committee"** means "Audit Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Act and

SEBI Regulations.

d) **"Material related party transaction"** means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds the thresholds as defined under the Companies Act, 2013 or Regulations.

e) **"Policy"** means this Related Party Transaction policy, as amended from time-to-time.

f) **"Related Party"** means a related party as defined under the Act or rules made there under and SEBI Regulations.

g) **"Related Party Transaction"** means such transactions as specified under Section 188 of the Act or rules made there under and Regulation 2(zc) & 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including any amendment or modification thereof, as may be applicable.

h) **"Relative"** means a relative as defined under the Act and SEBI Regulations.

i) **"Transaction"** with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Regulations 2015, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. APPLICABILITY

This policy shall be applicable to all the related party transactions entered in to by the Company with the related party as defined in the policy.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

I.AUDIT COMMITTEE

a) All related party transactions shall require prior approval of the audit committee. *The approval of the audit committee can be granted by way of circular resolution.*

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

(i) 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.

(ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

(iii) Such omnibus approval shall specify

- the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
- the indicative base price/current contracted price and the formula for variation in the price if any and
- 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 1 crore per transaction.

(iv) Audit Committee shall review, at least on a quarterly basis, the details of RTPs entered into by the Company pursuant to each of the omnibus approval given.

(v) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In determining whether to approve a RPT, the Audit Committee will consider the following factors, among others, to the extent relevant to the RPT:

i. Whether the terms of the RPT are fair and on arm's length basis to the Company;

ii. Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
iii. Whether the RPTs are entered in the past;
iv. Whether the nature of the proposed transaction is something that the Company would have ordinarily done in the course of its business;
v. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
vi. Any other factor the Audit Committee deems relevant for reviewing and approving such RPT.

II. SHAREHOLDERS' APPROVAL

i. All the Material RPTs shall require approval of the shareholders (unless exempted pursuant to SEBI Regulations). All Related Parties shall abstain from voting on such resolution irrespective of whether the entity is a party to a particular transaction or not.

ii. The transactions which fall under Section 188 of the Act which are not in the ordinary course of business and / or not an Arms' length basis and which crosses the threshold limits prescribed under the rules made thereunder, shall require approval of the shareholders. Only the concerned Related Parties, with whom transactions are being entered into, shall abstain from voting on such resolution.

III. DECISION REGARDING TRANSACTION IN THE ORDINARY COURSE OF BUSINESS AND AT ARM/S LENGTH BASIS

"Ordinary course of business" would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per Memorandum & Articles of Association.

The Audit Committee or the Board shall, in respect of the RPTs referred to them for approval and after considering the matter placed before them, shall judge if the transaction is the ordinary course of business and at arm's length basis. In case the Audit Committee is not able to arrive at such a decision, it may seek advice from

any outside specialist(s) / professional(s) from the relevant field in helping them to arrive at a decision.

In case there is still no consensus amongst the Audit Committee Members, the matter then shall be referred to the Board, which shall decide if the transaction is the ordinary course of business and at arm's length basis.

6. AMENDMENTS

Any subsequent amendment or modification in the listing agreement and /or other applicable laws in this regard shall automatically apply to this Policy.

7. INTERPRETATION

a) Any words used in this policy but not defined herein shall have the same meaning as prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, listing agreement, Accounting Standards or any other relevant legislation/law applicable to the company.

b) The reference to the male gender in this policy shall be deemed to include a reference to female gender.

c) In case of any dispute or difference upon the meaning/interpretation of any word or provision in this policy, the same shall be referred to the audit committee and the decision of the audit committee in such case shall be final. In interpreting such term/provision, the audit committee may seek the help of the officers of the Company or an outside expert as it deems fit.