



MAHALAXMI RUBTECH LIMITED
(CIN: L25190GJ1991PLC016327)

POLICY ON RELATED PARTY TRANSACTIONS

Approved by Audit Committee: 30th May, 2014
Adopted by Board of Directors: 30th May, 2014

POLICY ON RELATED PARTY TRANSACTIONS

(As approved by Board of Directors)

Preamble

The Board of Directors (the “Board”) of **MAHALAXMI RUBTECH LIMITED** (the “Company”), adopts the following policy and procedures with regard to Related Party Transactions and Material Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made thereunder and any subsequent amendments thereto and Listing agreement with Stock Exchanges, in order to ensure the transparency and procedural fairness of such transactions.

The Audit Committee will review and may amend this policy from time to time.

1. This policy will be applicable to the Company.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Company Act 2013 & Clause 49 of the Listing Agreement as entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions

“**Policy**” means Related Party Transaction Policy.

“**Arm’s Length Transactions**” means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Related Party**” means related party as defined in Section 2(76) of Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.

“**Related Party Transaction**” means any transaction directly or indirectly involving any Related Party which 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:

1. Sale, Purchase or supply of any Goods or materials
2. Selling or otherwise disposing of, or buying, property of any kind
3. Leasing of Property of any kind
4. Availing or rendering of any services
5. Appointment of any agent for purchase or sale of goods, materials, services or property
6. Appointment to any office or place of profit in the Company, its subsidiary, or associated company
7. Underwriting the subscription of any securities or derivatives thereof, of the company Meaning of Office or place of profit for this purpose.



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“Relative” with reference to a director or KMP means the person as defined in Section 2(77) of the Act and rules prescribed thereunder.

“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 Ten Percent of the Consolidated annual turnover of the Company as per the last audited financial statements of the Company.

“Office or place of profit” means any office or place:

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

5. Review and Approval of Related Party Transactions

All Material Related Party Transactions and Related Party Transactions which are not in the ordinary course of the Business and not on Arm’s Length transaction. However, Related Party Transactions which are in ordinary course of business of the Company and on Arm’s Length Price shall be periodically disclosed to the Audit Committee/Board.

□ Approval of Audit Committee

All Related Party Transactions except which are entered in ordinary course of business and on arm’s length price, will be referred to the regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction shall recluse himself or herself and abstains from discussion and voting on the approval of the Related Party Transaction.

Before approving such transactions, the Committee will look into the interest of the Company and its Stakeholders in carrying out the Transactions and on the benefits. The Committee may accordingly approve or modify such transactions, in accordance with this policy and/or recommend the same to the Board approval.

Omnibus Approval may be granted by the Audit Committee if Related Party Transactions are repetitive in nature and are in the interest of the Company.

In case the need for RPT cannot be foreseen and the other details are not available, an omnibus approval for such transactions, subject to their value not exceeding Rs. 1 Crore for each of the Related Party.

□ Approval of Board of Directors

The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and in compliance of Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Where any director is interested in any Related Party Transaction, such director will remain abstain from discussion and voting on subject matter of the resolution relating to such transactions.



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□ Prior approval of Members by means of special resolution

All Material Related Party transactions and material specific transactions, other than the exempted transactions in a listed Company shall require prior Shareholders approval by way of Special Resolution in General Meeting.

As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Material Specific Transactions, in relation to MAHALAXMI RUBTECH LIMITED shall include transactions/transactions to be entered into individually or taken together with the previous transactions exceeds specified limits of Turnover or Net Worth of the Company. Such Turnover or Net Worth shall be calculated on the basis of Audited Financial Statement of the preceding financial year.

No member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

6. Identification of Potential Related Party Transactions

(a) Each Director/Key Managerial Personnel is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Compliance Officer may reasonably request. The Compliance Officer in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

(b) Every director/ Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.

(c) Where any director/ Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.

(d) A contract or arrangement entered into by the company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

(e) The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Compliance Officer has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances.

7. Disclosure norms

Particulars of Contracts and arrangements with Related Party covered under this policy requiring shareholders approval shall be appropriately referred to in the Board's Report to the shareholders along with the justification for entering into such contract or arrangement.



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8. Exemptions

Nothing contained in this policy shall apply to any contract or arrangements which are

- A) in the ordinary course of its business; or
- B) at arms' length price.

9. Amendments in Law

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

10. 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 or any other relevant legislations/law applicable to the company.
- b) 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 audit committee in such case shall be final. In interpreting such terms/provisions, the Audit committee may seek help of any other officer of the company, or an outside expert as it may deem fit.