MAHALAXMI RUBTECH LIMITED

(CIN: L25190GJ1991PLC016327)

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

With Effective From: December 01, 2015

Last Amended On: April 01, 2026

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

[Pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015]

I. PREAMBLE:

The Board of Directors (the "Board") of MAHALAXMI RUBTECH LIMITED (the "Company"), has upon the recommendation of the Audit Committee, adopted the following Policy and procedures with regard to Related Party Transactions (hereinafter referred to as the 'RPT Policy' or 'Policy') in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made thereunder and any subsequent amendments thereto (hereinafter referred to as 'the Act') and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI (LODR) Regulations, 2015'), 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.

II. PURPOSE:

The objective of this Policy is to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its Related Parties in the best interest of the Company and its stakeholders. This Policy deals with materiality threshold, process of identification, disclosures and the manner of dealing Transactions with Related Party by the Company keeping in view the provisions of the Act read with the Rules made thereunder and the SEBI (LODR) Regulations, 2015.

III. THIS POLICY WILL BE APPLICABLE TO THE COMPANY:

The RPT Policy will be applicable to the Company with respect to all Transactions with Related Party including changes, if any, in Related Parties from time to time.

IV. DEFINITIONS:

(1) "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.

(2) "Audit Committee" means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Act.

(3) "Board of Directors" or "Board" in relation to the Company means the collective body of the directors of Mahalaxmi Rubtech Limited.

(4) "Company" means Mahalaxmi Rubtech Limited.

(5) "Key Managerial Personnel (KMP)" in relation to the Company means

(i) the Chief Executive Officer, or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-time director;

(iv) Chief Financial Officer; and

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

(6) "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;

(7) "Policy" means Related Party Transaction Policy.

(8) "Relatives" with reference to any person shall have the meaning as defined in Section 2(77) of the Act read with clause 4 of The Companies (Specification of definition details) Rules, 2014.

(9) "Related Party" means Related Party as defined in Regulation 2(zb) of the the SEBI (LODR) Regulations, 2015, which is as follows:

(10) "Related Party" means a Related Party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Provided that:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

Section 2 (76) of the Companies Act, 2013 and Rules framed thereunder defines Related Party as under:

a) a director or his relative;
b) a key managerial personnel or his relative;
c) a firm, in which a director, manager or his relative is a partner;
d) a private company in which a director or manager or his relative is a member or director;
e) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
f) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
g) any person on whose advice, directions or instructions a director or manager is accustomed to act:

   Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
h) any body corporate which is:

- a holding, subsidiary or an associate company of such company; or
- a subsidiary of a holding company to which it is also a subsidiary; or
- an investing company or the venturer of a company;

Explanation - For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

i) such other person as may be prescribed.

Under Rule (ix), Director (other than Independent Director) or Key Managerial Personnel of the holding company or his relative with reference to a company, shall be deemed to be Related Party as per Rule 3 of the Companies (Specification of Definition Details) Rules, 2014.

(11) "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation — For the purposes of this clause,
(a) "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement;
(b) "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Related Party as defined under Accounting Standard AS-18 as prescribed by the Institute of Chartered Accountants of India reads as–

Para 10: Related Party / parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and / or operating decisions.

Further, the word "Control" and "Significant Influence" defined under AS 18 as under:

Control – (a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or

(b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise, or

(c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

[As per Para 12: An enterprise is considered to have a substantial interest in another enterprise if that enterprise owns, directly or indirectly, 20 per cent or more interest in the voting power of the other enterprise. Similarly, an individual is considered to have a substantial interest in an enterprise, if that individual owns, directly or indirectly, 20 per cent or more interest in the voting power of the enterprise.]

Significant influence - participation in the financial and/or operating Policy decisions of an enterprise, but not control of those policies.

Related Party as defined under Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures reads as –

A Related Party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

A person or a close member of that person's family is related to a reporting entity if that person:
has control or joint control of the reporting entity;
has significant influence over the reporting entity; or

is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies:

The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

Both entities are joint ventures of the same third party.

One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The entity is controlled or jointly controlled by a person identified in (a).

A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

"Related Party Transaction" means

for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;

for the purpose of the SEBI (LODR) Regulations, 2015:

A transaction involving a transfer of resources, services or obligations between:

(i) Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or

(ii) Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

i. payment of dividend;

ii. subdivision or consolidation of securities;

iii. issuance of securities by way of a rights issue or a bonus issue; and

iv. buy-back of securities.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

"Material Related Party Transaction" means a transaction with a Related Party if the transaction / transactions 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 company as per the last audited financial statements of the Company or such limits as may be prescribed under the Act or Listing Regulations or other applicable laws, from time to time.

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.

"Material Modification in Related Party Transaction" means modification amounting to change of 10% in Related Party Transaction approved by the Audit Committee and the Board of Directors.

"Relative" as per Section 2(77) of the Companies Act, 2013 and Rules prescribed thereunder] with reference to any person means anyone who is related to another, if:

- they are members of a Hindu Undivided Family;
- they are husband and wife; or
- one person related to the other person as:
- Father (including step-father)
- Mother (including step-mother)
- Son (including step-son)
- Son's wife
- Daughter
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)

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

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

V. POLICY ON RELATED PARTY TRANSACTIONS:

The Policy describes the procedure to be followed along with the reporting and disclosure requirements for the transactions entered between the Company and its

Related Parties. Such transactions shall be deemed appropriate only if they are in the best interest of the Company and its shareholders. In order to ensure the same and to set forth the procedure for entering into and execution of transactions with Related Party, the board of directors of the Company has adopted this Policy.

VI. PROCEDURE FOR IDENTIFICATION OF POTENTIAL RELATED PARTIES:

Once a year, declarations in prescribed form (Annexure-I) will be obtained from the Directors and KMP and other Related Parties within the meaning of Section 2(76), 184 and 189 of the Act and the SEBI (LODR) Regulations, 2015 in the prescribed format.

The declarations will also be required to be updated by the Directors and KMP regularly immediately upon a change taking place.

Any individual appointed/elected as a director or KMP shall be responsible to promptly complete and submit to the Company Secretary or Compliance Officer as the case may be, the disclosure declaration referred to above.

The Company Secretary or Compliance Officer as the case may be shall, in every meeting, place before the Audit Committee an up-to date list of the Related Parties of the Company.

VII. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

Each director and Key Managerial Personnel are responsible for providing Notice to the Board or Audit Committee of any potential RPT involving him/her or his/her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest and the Audit

Committee will determine whether the transaction does, in fact, constitute an RPT requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential transactions with Related Party well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

VIII. APPROVAL OF RELATED PARTY TRANSACTIONS:

PRIOR APPROVAL OF AUDIT COMMITTEE

All Related Party Transactions and subsequent material modifications other than those for which omnibus approval is given by the Audit Committee and which are within ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, shall be referred to the next regularly scheduled meeting of Audit Committee for review and approval.

To review a Related Party Transaction, the 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 to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the 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 and on arms length basis 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 affect the independence of an independent director;

Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel'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.

Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.

All Transactions with Related Party of the Company as prescribed under the Act and the SEBI (LODR) Regulations, 2015 shall require prior approval of Audit Committee, whether at a meeting or by Resolution by circulation. However, the Audit Committee may grant omnibus approval for such Transactions proposed to be entered into by the Company subject to the following conditions:

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy on RPTs of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

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 the following:

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 RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.

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 case where RPT as defined under that Act are not in ordinary course of business or not on arm's length basis or both, such RPT will also require prior approval of Board of Directors of the Company.

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.

Any member of the Audit Committee who has a potential interest in any RPT will abstain from discussion and voting on the approval of the RPT.

PRIOR APPROVAL OF BOARD OF DIRECTORS UNDER THE ACT:

RPTs within the scope of Section 188 of the Act, which are either not in the Ordinary Course of Business or are not at Arms' Length shall require prior approval of the Board of Directors.

In the above context, where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement, and shall also not vote on such resolution.

All Related Party Transactions approved by the Audit Committee as per the procedure set forth above shall be referred to the Board for its noting. If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

SHAREHOLDERS' APPROVAL REQUIREMENTS :

Shareholder's approval shall be sought in the following cases as per the requirements of the Act:

RPTs covered within the scope of Section 188 of the Act; which are either not in the 'Ordinary Course of Business' or are not on an 'Arm's Length Basis' and exceed the threshold prescribed under the Rules made thereunder, shall require prior approval of the shareholders through ordinary resolution.

No member of the Company shall vote in a special resolution where a Related Party contract or arrangement is being considered if such a member is a Related Party in the context of the contract or arrangement which is being considered.

Shareholder's approval shall be sought in the following cases as per the requirements of the SEBI (LODR) Regulations, 2015:

All Material RPTs covered within the scope of the SEBI (LODR) Regulations, 2015 shall require approval of the shareholders through ordinary resolution. For this purpose, no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

However, the above shall not be applicable to:
transactions between The Company and its wholly owned subsidiary whose accounts are consolidated with The Company and placed before the shareholders at the general meeting for approval; and
such other transactions as may be exempted by the SEBI (LODR) Regulations, 2015, if not covered under the Act.

Materiality Thresholds:

Regulation 23 of the SEBI (LODR) Regulations, 2015 requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the Related Parties of a company shall vote to approve on such resolution irrespective of whether the entity is a Related Party to the particular transaction or not.

The Company has fixed the following materiality threshold for the purpose of Regulation 23(1) of the SEBI (LODR) Regulations, 2015:

Sr. No.	Transaction Detail	Threshold Limits
1	Sale, purchase or supply of any goods or materials	10% or more of the turnover of the Company
2	Selling or otherwise disposing of or buying property of any kind	10% or more of the net worth of the Company
3	Leasing of property of any kind	10% or more of the turnover of the Company
4	Availing or rendering of any services	Availing or rendering of any services
5	Appointment to any office or place of profit in the Company	Monthly remuneration exceeding rupees two and half lakh rupees
6	Underwriting the subscription of any securities or derivatives	Remuneration exceeding 1% of the net worth of the Company
7	Payment to a Related Party with respect to brand usage or royalty	5% of the annual consolidated turnover of the Company

Explanation: all the transactions mentioned above should be taken individually or together with previous transactions during a financial year and the annual consolidated turnover and net worth shall be computed on the basis of last audited financial statements of the Company.

IX. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under 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 such transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the such Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Transaction to the 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 such 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.

X. DISCLOSURES:

Disclosures with respect to Transactions with Related Party shall be made as per applicable provisions of the Act and the SEBI (LODR) Regulations, 2015.

Details of all material transactions with Related Parties shall be disclosed quarterly along with the compliance report on corporate governance.

This Policy shall also be uploaded on the website of the Company at www.mrtglobal.com and a weblink thereto shall be provided in the Annual Report of the Company.

XI. SCOPE LIMITATION:

In the event of any conflict between the provisions of this Policy and of the SEBI (LODR) Regulations, 2015 / the Act or any other statutory enactments, Rules, then later shall prevail.

XII. GENERAL PRINCIPLES:

It shall be the responsibility of the Board to monitor and manage potential conflict of interest of management, board members and shareholders, including abuse in Related Party transaction.

The Independent Directors of the Company shall pay sufficient attention and ensure that adequate deliberations are held before approving Related Party transaction and assure themselves that the same are in the interest of the Company.

The Audit Committee shall have following power with respect to the Related Party transaction:

- To seek information from employee;
- To obtain outside legal or professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;
- To investigate any Related Party transaction.

The Managing Director of the Company is authorized to issue necessary guidelines / instructions for implementation of this Policy.

XIII. AMENDMENTS TO THE POLICY:

Any subsequent amendment / modification in the Listing Regulations and / or other laws in this regard shall automatically apply to this Policy. The same shall be added / amended / modified from time to time as authorized by the Audit Committee with due procedure.
