

# **MADHAV MARBLES AND GRANITES LIMITED**

## **Policy on Related Party Transactions (RPT)**

### **Applicability**

This policy is formed as a part of Corporate Governance Framework as per requirement of Listing Agreement entered by the Company with the Stock exchanges in India and also in terms of Section 188 of the Companies Act, 2013 and the rules made thereunder.

### **Purpose**

- To regulate transactions between the Company and its Related Parties with a view to ensure that such transactions are executed on an arm's length basis and in a transparent and fair manner.
- To seek necessary approvals of the Audit Committee/Board/shareholders as may be necessary, after providing necessary information to them in the prescribed manner.
- To outline the procedures for identification, review, approval, disclosure and reporting of such transactions.

### **Definitions**

"Associate Company", in relation to another company, means a company in which that other company has control of at least twenty percent of Authorized Share Capital, or of business decisions under an agreement, but which is not a subsidiary company of the company having such influence and includes a joint venture company."

"Control " includes the right to appoint majority of the Directors or to control the management or policy Decisions exercisable by a Person or Persons acting individually or In concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner

Provided that a director or officer of the company shall not be considered To be In control iver such Company, merely By virtue of holding such position

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes-

- Managing Director, or Chief Executive Officer or
- Whole time director;
- Company Secretary; and
- Chief Financial Officer

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“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, exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

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

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;

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.

“Relative” means relative as defined under Section 2(77) of the Companies Act, 2013

“Related Party” means related party as defined in Clause 49 of the Listing Agreement.

“Related Party Transaction” means a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and also includes the transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following headings:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Transfer of research and development
- License agreements
- Finance (including loans and equity contributions in cash or kin
- Guarantees and collaterals
- Management contracts including for deputation of employees

“Transaction on arm’s length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

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“Transactions in the Ordinary Course of Business” means activities that are necessary, normal, and incidental to the business and which fall under one or more of the following headings :

- Import / export of services
- Import of Fixed assets / spares / computers
- Purchase and Sale of Fixed assets
- Royalty Received / paid
- Commission Income received / paid
- Re-imbusement of expenses
- Dividend Received / paid
- Loans and Advances paid and repaid
- Interest received on Loans given
- Interest paid on Loans received
- Any other as the committee may deem fit.

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## **Policy**

### **✓ Approval of Related Party Transactions by the Audit Committee**

- All Related Party Transactions of the Company must be reported to the Audit Committee and referred for approval by the Audit Committee in accordance with this Policy.
- Related Party Transactions during the quarter will be referred to the next scheduled meeting of the Audit Committee for review and approval. Any member of the committee who has a potential interest in any Related Party Transaction will refrain himself/herself from discussion and voting on the approval of the Related Party Transaction.
- The Audit Committee may grant Omnibus approval for proposed Related Party Transactions which are repetitive in nature. The committee shall review at least on quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year validity.

### **✓ Approval of Related Party Transactions by the Board and Shareholders:**

In the event contract /arrangement / transaction is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain prior approval of the Board and its shareholders, as applicable, for such contract / arrangement / transaction.

Where Related Party Transactions require approval of the Board through special resolution; any director who is interested in any contract / arrangement / transaction with a related party, shall not be present at the meeting during discussions on the subject-matter of the resolution relating to such contract / arrangement / transaction.

All material related party transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

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### **Disclosures:**

- Particulars of contracts or arrangements with Related Parties covered under this policy shall be referred to in the Board's Report along with justification for entering into such contract or arrangement.
- The company shall place before the Board Register of Contract and arrangements entered into with the related parties.
- This Policy shall be disclosed on the Company website and a web link thereto shall be provided in the Annual Report.

### **Periodical Review / Amendments of the Policy**

The AC shall periodically review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate.