



# Maha Rashtira Apex Corporation Limited



Serving India  
Since 1925

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## POLICY ON RELATED PARTY TRANSACTIONS

### INTRODUCTION:

The Board of Directors (the “Board”) of Maha Rashtira Apex Corporation Limited (the “Company”), as adopted the following policy and procedures with regard to Related Party Transactions as defined below, in compliance with requirement of Section 188 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 23 and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### DEFINITION:

“Company” means MAHA RASHTRA APEX CORPORATION LIMITED.

“Related party” means an entity shall be considered as related to the Company if:

(i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or (ii) Such entity is a related party under the applicable accounting standards.

“Related Party Transactions” means a transaction between the Company and a Related Party which reported transaction is of the nature specified in sub-clause (a) to (g) of section 188 (1) of the Companies Act 2013, or is a reported related party transaction as understood under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Material Related Party Transaction” means the reported transaction/transactions to be entered into individually or taken together with previous reported 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.

“Material Modifications” shall mean an amendment to the terms and conditions of the transaction/contract, an extension of tenure, waiver of rights and obligations, variation in any payment rights, security interest, novation of parties, the addition of parties, the financial implication of which would have the effect, by an amount Rs.10 (Ten ) Crore in a financial year or 20% (twenty per cent) whichever is higher, to the limit as approved by the Audit Committee or by an amount Rs.100 (Hundred) Crore in a financial year or 20% (twenty per cent) whichever is higher, to the limit as approved by the Members of the company as the case may be.

Notwithstanding the above, the following events shall be deemed to be material modifications:

- a) In case of a loan or deposit or any other means of funding including securities and guarantees given, any deviation in the objects or purposes for which the loan or deposit was given or funding was made or received or securities and guarantees given;
- b) In case of any other transaction or agreement, any amendment which will have the effect of:
  - (i) renewing or extending the term of the transaction or agreement for a period exceeding three years, except for completion of any surviving obligations.
  - (ii) ceasing the terms of the contract at arms' length
  - (iii) Any novation of the contract or arrangement to a third party
  - (iv) the claims of the party being subordinated

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

**“Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

Any other terms and expressions used but not defined herein, shall have the same meaning as defined in the Act, SEBI LODR Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder.

### **IDENTIFICATION OF RELATED PARTIES AND THE RELATED PARTY TRANSACTIONS:**

- i. Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall,
  - a. at the time of appointment;
  - b. periodically – as required by the Company or applicable law
  - c. whenever there is any change in the information already submitted,

provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture as the case may be).

Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

### **PROCEDURE:**

### **APPROVAL OF AUDIT COMMITTEE FOR REPORTED RELATED PARTY TRANSACTIONS:**

All Related Party Transaction and subsequent Material Modification shall be subject to the prior approval of the Audit Committee of the Company whether at a meeting or by a resolution by circulation or by any other manner as provided by the Act or the rules and regulations made thereunder.

Provided that only those Members of the Audit Committee, who are Independent Director shall approve Related Party Transactions.

No member of the Audit Committee shall participate in the review, consideration or approval of any Related-Party Transaction with respect to which such member or any of his or her relatives is a Related Party.

If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions, management shall provide the Committee with updated information at a subsequent meeting and will get the changes approved afresh by the Committee.

If any additional Related-Party Transactions are proposed to be entered into subsequent to the Committee's first meeting in the financial year, management shall present such transactions to the Committee for approval before entering into such transaction (which can be taken by calling a meeting or by resolution passed through circulation).

Related Party Transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity and with effect from April 1, 2023 exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Any Material Modification to the Related Party Transaction by the Company or its subsidiary shall require prior approval of the Audit Committee of the Company

### **INFORMATION TO BE REVIEWED BY THE AUDIT COMMITTEE FOR APPROVAL OF RPTS**

The Company shall provide the following information, for review of the audit committee for approval of a proposed RPT other than the transactions for omnibus approval

1. Type, material terms and particulars of the proposed transaction;
2. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
3. Tenure of the proposed transaction (particular tenure shall be specified);

4. Value of the proposed transaction;
5. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
6. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
  - i) details of the source of funds in connection with the proposed transaction;
  - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, - nature of indebtedness; - - cost of funds; and tenure;
  - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
7. Justification as to why the RPT is in the interest of the listed entity
8. A copy of the valuation or other external party report, if any such report has been relied upon;
9. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
10. Any other information that may be relevant APPRO

**APPROVAL OF THE BOARD FOR REPORTED RELATED PARTY TRANSACTIONS:**

Consent of the Board would be taken in respect of all reported related party transaction, except in the cases where the reported transactions entered into by the Company in its ordinary course of business and are on an arm's length basis.

Any member of the Board who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

**APPROVAL OF THE SHAREHOLDERS FOR REPORTED RELATED PARTY TRANSACTIONS:**

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act, then such Related Party Transaction and any subsequent Material modification thereto, shall require shareholders' approval by a resolution. In such case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would seek post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations.

### **INFORMATION TO BE PROVIDED TO SHAREHOLDERS FOR CONSIDERATION OF RPTS**

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013 and SEBI LODR Regulations, include the following information as a part of the explanatory statement:

1. A summary of the information provided by the Company to the audit committee as specified under information to be reviewed by the Audit Committee for approval of RPTs
2. Justification for why the proposed transaction is in the interest of the listed entity;
3. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under point 6 of the information to be reviewed by the Audit Committee for approval of RPTs
4. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction shall be made available through the registered email address of the shareholders;
5. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
6. Any other information that may be relevant.

### **OMNIBUS APPROVAL:**

Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature subject to their value not exceeding Rs.1 crore per transaction.

Such omnibus approval shall specify:

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

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year.

Omnibus approval shall not be made for the transactions in respect of selling or disposing of the undertaking of the Company.

**DISCLOSURE:**

Every reported Related Party Transactions shall be disclosed in the following manner:

In the Directors' report along with proper justification for entering into such contract or arrangement.

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

The policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.

**DISCLOSURE OF THE POLICY:**

This policy will be communicated to all Directors and Key Managerial Personnel of the Company.

This Policy will be uploaded on the website of the Company and a web link thereto shall be provided in the annual report.

**LIMITATION, REVIEW AND AMENDMENT:**

In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other legal requirement ("Applicable Law"), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

The Board may review this Policy periodically (and at least once every three years) and make amendments from time to time, as may be deemed necessary (including based on recommendation(s) of the Audit Committee).

**The above policy approved by the Board of Directors in their Meeting held on 10<sup>th</sup> February, 2025**