



MAPRO INDUSTRIES LIMITED

[CIN - L70101MH1973PLC020670]

Regd. Office : 505, Corporate Corner, 5th Floor, Sudar Nagar, Malad (W), Mumbai - 400 064
Tel No. : 91-22-28725764; Email Id : info@maproindustries.com, Website : www.maproindustries.com

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

Adopted by the Board of Directors at their meeting held on [13.02.2015]
[Section 188 of the Companies Act, 2013 read with Clause 49-VII-C; VIII-A]

1. Preamble

The Board of Directors (the "Board") of Mapro Industries Ltd (the "Company" or "MIL), has adopted the following policy and procedures with regard to the Related Party Transactions as defined below. The Audit Committee shall review and may propose amendments to this policy as may be required.

The policy will be applicable to the Company. This policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable on the company. This policy shall become effective from 1st October, 2014.

2. Purpose

The Purpose of this Policy and Procedure document is to ensure protection of corporate interest, adequate disclosure and proper procedure to be followed for the material transactions or arrangement or contract to be entered into or performed by and between the Company or its subsidiaries or associates and Related Parties (as defined below) in accordance with the principle enshrined in the Companies Act, 2013 and Clause 49 of Listing Agreement.

Mapro Industries Limited (hereinafter referred to as the "Company" or "MIL) recognizes that there are situations in which Related Party Transactions might be in the best interests (or at least not inconsistent with the interests) of MIL and its shareholders. Such situations could include, without limitation, transactions or arrangements according to which MIL could engage into the transfer of resources, services, rights or obligations with Related Parties (as defined below).

3. Applicability

It applies to all kinds of contracts, arrangements or transactions by the Company with Parties in which Director or senior management personnel are interested directly or indirectly through relatives, bodies corporate, trusts, etc.

4. Definitions

"Arm's Length Transaction" shall have the same meaning as defined under Section 188 of the Companies Act, 2013 (and as amended from time to time); which presently reads as follows:
The expression '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.





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“Material transaction” with related party (Material Related Party transactions) shall have the same meaning as defined under Clause 49- VII- C of the Listing Agreement (and as amended from time to time); which presently reads as follows:

Transaction with a related party shall be considered material 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.

“Related party” shall have the same meaning as defined under Clause 49- VII- B of the Listing Agreement (and as amended from time to time); which presently reads as follows:

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 Transaction” shall have the same meaning as defined under Section 188 of the Companies Act, 2013 read with the Clause 49- VII - A of the Listing Agreement (and as amended from time to time).

“The Regulations” The Regulations refers to the applicable provisions of the Companies Act, 2013, read with the rules made under the Companies Act, 2013, Articles of Association, various corporate codes, regulations, policies, applicable guidelines - regulations from Securities and Exchange Board of India, listing agreement executed with the stock exchanges etc. (as amended from time to time).

“Associate” means a Company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements” and by Accounting Standard (AS) 18, “Related party disclosures”.

“Audit Committee or Committee” means the Committee of the Board formed under section 177 of the Act and RC49.

“Control” means control as defined in Section 2 (27) of the Act and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Key Managerial Personnel” shall mean the officers of the Company as defined in Section 2(51) of the Act.

5. Identification of Related Party

Each director and Key Managerial Personal is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “related Party” by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.





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6. Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

7. Procedure

- a. All *Related Party Transactions*, falling within the ambit of the provisions of Section 188 of the Companies Act, 2013, read with the applicable rules made there-under and listing agreement (as amended from time to time), shall require approval of the Audit Committee. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the conditions as specified under Clause 49- VII - D of the Listing Agreement.
- b. 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 read with the relevant provisions of section 188 of the Companies Act, 2013.
- c. The Audit Committee of the Company will review the relevant facts and circumstances of each Related Party Transaction, including whether the transaction is on arm's length basis dealings, the extent of the Related Party's interest in the transaction, take into account the conflicts of interest, etc. and either approve or disapprove the Related Party Transaction.
- d. Any Related Party Transaction will be consummated and will continue only if the Audit Committee has approved or ratified such transaction in accordance with the Regulations.
- e. Management will present to the Audit Committee each proposed Related Party Transactions, including all relevant facts and circumstances and will update the Audit Committee as to any material changes to any approved or ratified Related Party Transaction and will provide a status report at a regularly scheduled meeting of the Audit Committee of all then current Related Party Transactions.
- f. The Audit Committee shall assess the materiality of a Related Party's interest in the Related Party Transactions.
- g. The Audit Committee shall consider all of the relevant facts and circumstances available to it, including the benefits to the Company and whether the Related Party Transaction is on the arm's length basis. No member of the Audit Committee may participate in any review, consideration or approval of any Related Party Transaction, if such member is the Related Party with regard to the concerned transaction.
- h. The Board of Directors ['the Board'], upon the approval of the Audit Committee, take note of the Related Party Transactions and all the Directors present at such meeting shall sign the





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Register of Contract in pursuance of requirement under Section 189 and other applicable provisions of the Companies Act, 2013 read with the Regulations.

8. Review and Approval of Related party Transaction

All related party transactions must be reported to the Audit Committee for its prior approval in accordance with this policy. The Committee shall review the transaction and report the same for approval of the Board and shareholders, if required, in accordance with this policy.

9. Disclosure

- a. Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. Board/ Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- b. The Company strongly prefers to receive such notice of any Related Party Transaction well in advance so that the Audit Committee/ Board has adequate time to obtain and review information about the proposed transaction.
- c. All Related Party Transactions are to be disclosed in the Board's Report or in the Financial Statement as may be required by the Regulations.

10. Interpretation

This Policy is intended to comply with the Companies Act, 2013 and the listing agreement. Notwithstanding anything herein to the contrary, this Policy will be interpreted only in such manner so as to comply with the Companies Act, 2013 and the listing agreement. In the event that a Related Party Transaction would constitute a conflict of interest, the provisions of the Companies Act, 2013 and the listing agreement will apply to such Related Party Transaction. Any word not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013 and the listing agreement, including any amendments thereto. In case any word or provision as appearing in this Policy is contrary to the meaning or provision as provided under the Companies Act, 2013 or the listing agreement, then the meaning or provision as provided under the Companies Act, 2013 / the listing agreement shall prevail.

This policy shall always be in conformity with the provisions of the Regulations and any amendments in the Regulations shall be deemed to form part of this Policy.

