



**MAYUR LEATHER PRODUCTS LIMITED**  
**POLICY ON RELATED PARTY TRANSACTION**

## 1. Preamble and Objective :

The Board of Directors (the "Board") of **Mayur Leather Products Limited** (the "Company" or "**MLPL**"), that for protection of interest of all the stakeholders and for good governance and to maintain uniformity and transparency in its dealings with Related Parties the company in pursuance of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and other applicable provisions, as amended from time to time, has adopted Related Party Transaction Policy ("this policy") to regulate the transactions between the Company and its Related Parties.

The Board of Directors of the Company has adopted this Policy upon the recommendation of the Audit Committee and the said Policy sets out the materiality threshold and provides the manner of dealing with transactions and intended to ensure the proper approval and reporting of transactions between the Company and its related parties in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India.

The Company is required to disclose in its Annual Financial Statements and Directors Report, certain transactions between the Company and Related Parties as well as policy relating thereto. The Related Party Transaction Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.

## 2. Definitions:

**"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

**"Board"** means Board of Directors of the Company.

**"Audit Committee or Committee"** means the Committee of the Board formed under section 177 of the Act and Regulations 18 of Listing Regulations 2015.

**"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.

**"Policy"** means Related Party Transaction Policy.

**"Material Related Party Transaction" shall** means and includes:

- 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.

- Transactions which exceed the threshold limits as defined under Section 188 of Act read with rules made thereunder.
- 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 two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

**“Related Party (ies)”** means a person or an entity:

- Which is a related party under section 2(76) of the Act, read with rule 3 of the Companies (Specification of definition details) Rules, 2014; or
- Which is related party under applicable Accounting Standards
- Any person or entity belonging to promoter/promoter group of the listed entity and holding 20% or more of the shareholding in listed entity shall be deemed to be a related party.

**“Relative”** shall have the meaning described to it under Section 2(77) of the Act and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014, as amended from time to time.

**“Related Party Transactions”** means any transaction directly or indirectly involving any Related Party as covered under Companies Act,

2013 and rules made there under which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

### **3. Policy**

The Audit Committee shall review and approve all Related Party Transactions proposed to be entered into by the Company in conformity with this Policy.

The board shall review the policy once in every three (3) years and update it accordingly.

All the proposed Related Party Transactions must be reported to the Audit Committee for prior approval in accordance with this Policy. The Audit Committee may, however, grant omnibus approval in the case of frequent / regular / repetitive Transactions which are in the normal course of Business of the Company, subject to the conditions laid down in Clause 7 of this Policy.

In order to ensure the independence of the decision of the Audit Committee with respect to Related Party Transactions, in the event any member of the Audit Committee has a potential interest in any Related Party Transaction, such member shall not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction. Further, in accordance with the Listing Regulations, all entities that fall under the definition of Related Parties shall abstain from voting

irrespective of whether the entity is a party to the particular Transaction or not.

It shall be the responsibility of the director and the Company to file the requisite form(s) as mandated under the Act or the relevant rules, containing the particulars of the Related Party Transactions before the prescribed authority.

#### **4. Identification of Related Parties and the Related Party Transactions::**

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.

#### **5. Review and Approval of Related Party Transactions:**

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into with the Company which are repetitive in nature and are in ordinary course of business and on at Arm's Length basis, subject to compliance of the conditions contained in Regulation 23 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

To review a Related Party Transaction, the Committee will be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transaction and/or prescribed under the Companies Act, 2013 and Rules there under, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

## **Approval of Board of Directors**

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 the Board to approve a Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and 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.

## **Approval of Shareholders**

1. In the event the Transaction is not in ordinary course of business and not on arm's length price and exceeds the limits specified in the Act read with rules made thereunder and Listing Agreement, the Company shall, along with the approval of the Board, also seek approval of the shareholders through Resolution. In case the member of the Company is a Related Party in the concerned Transaction, such member shall abstain from voting on such resolution.
2. All material RPTs would require an approval of Shareholders through a resolution and a Related party would not vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
3. All entities falling in the definition of Related parties would not vote to approve the relevant transaction irrespective of whether the entity is a related party to the particular transaction or not.
4. The Related parties would be allowed to cast a negative vote, as such voting would not be considered to be in conflict of interest.

## **Transaction not requiring approval of Audit Committee, Board or Shareholders-**

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board or Shareholders:

- i. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and where all holders of such securities receive the same benefits pro rata as the Related Party.

#### **10. 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).

#### **11. Interpretation :**

In any circumstance where the terms of these Policies and Procedures differ from 12 any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to confirm to the law, rule, regulation or standard.

#### **12. Dissemination of Information:**

MLPL shall upload this Policy on its website i.e [www.mayurgroups.com](http://www.mayurgroups.com).

MLPL shall also make relevant disclosures in its Annual Report and maintain such registers as required under the provisions of the Companies Act, 2013, Rules made thereunder.

Effective Date: **20.07.2024**

Date of the approval by the Board: **20.07.2024**

Sd/-  
**Chairman's Signature**