

## RELATED PARTY TRANSACTIONS - POLICY & PROCEDURES

### 1. Preamble

- 1.1. MSTC Limited (“MSTC” or “Company”) is committed to uphold the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related party transactions can present a risk of actual or apparent conflict of interest of the Directors, senior management etc. with the interest of MSTC.
- 1.2. The board of directors of MSTC (the “Board of Directors” or “Board”) adopts the following policy and procedures (the “Policy”) with regard to Related Party Transactions (“RPT”) as defined below, in compliance with the requirements of Section 188 of the Companies Act 2013 and the Rules made thereunder and any subsequent amendments thereto (the “Act”) and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended, and such other regulatory provisions, as may be applicable in order to ensure timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties (*as defined below*).
- 1.3. Considering the requirements for formulation of a policy on materiality of related party transactions and on dealing with related party transactions under Regulation 23 of the Listing Regulations, MSTC has formulated the following guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.
- 1.4. This Policy is intended to ensure timely identification of an RPT, its salient terms and conditions, detail the approval process, outline the disclosure and reporting requirements thereof and to ensure transparency in the conduct of RPT’s, so that there is no conflict of interest. The Board of Directors of the Company (‘the Board’) had first adopted this Policy on 11<sup>th</sup> January, 2019 with respect to RPT’s and a standard operating procedure to regulate transactions between the Company and its Related Parties on the recommendation of the Audit Committee.

### 2. Objective

- 2.1. This Policy is intended to ensure systematic identification, approval and/ or reporting of transactions as applicable, between MSTC and any of its Related Party in the best interest of MSTC and its stakeholders. Provisions of this Policy are designed to govern the transparency in identification and approval process as well as disclosure requirements to ensure fairness in the conduct of Related Party Transactions, in terms of the applicable laws. This Policy shall supplement other policies of MSTC that may be in force for identification, approval and / or reporting of transactions with related persons.



2.2. The audit committee of MSTC ("**Audit Committee**") shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions. The Board of Directors reserves the power to review and amend this Policy from time to time. Any exceptions to the Policy on Related Party Transactions shall be consistent with the Companies Act 2013, including the rules promulgated there under and the Listing Regulations and shall be approved in the manner as may be decided by the Board of Directors.

### 3. **Transactions Covered by this Policy**

3.1. A transaction covered by this Policy includes any contract or arrangement with a related party with respect to transactions defined hereunder as 'Related Party Transaction.

3.2. Provided further that any transaction entered into by MSTC with Related Party in its ordinary course of business and on an arm's length basis, shall be periodically reported to the Audit Committee.

### 4. **Definitions**

4.1 "**Act**" means the Companies Act, 2013, to the extent notified and the Companies Act, 1956, to the extent in force and rules made there under as amended from time to time.

4.2 "**Associate Company**" shall have the meaning prescribed in section 2(6) of the Companies Act, 2013 and regulation 2(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

4.3 "**Audit Committee**" means a committee of the board of directors of MSTC constituted under provisions of the Act and Listing Regulations.

4.4 "**Board**" or "**Board of Directors**" means the board of directors of MSTC.

4.5 "**Control**" shall have the meaning prescribed in section 2(27) of the Companies Act, 2013;

4.6 "**Key Managerial Personnel**" or "**KMP**" shall have the meaning prescribed in section 2(51) of the Companies Act, 2013 ;

4.7 "**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

4.8 "**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 MSTC 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;

