

### MPS LIMITED

#### POLICY ON RELATED PARTY TRANSACTION

##### 1. Purpose of the Policy:

MPS Limited ("MPS or Company") is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI has mandated every listed Company to formulate and update/revise the policy on materiality of Related Party Transactions ("RPTs") and also on dealing with Related Party Transaction:

- a. Accordingly, the Company has updated and revised the existing policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. This policy regulates all transactions between the Company and its Related Party.
- b. The Board of Directors of the Company ("Board") on recommendation of the Audit Committee of the Company ("Audit Committee") shall review the policy once in three year and may amend the same from time to time.
- c. In case of any amendments(s), clarifications(s), circular(s) etc. issued by the relevant authorities not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s), etc.

The Company had implemented the Company's Policy on Related Party Transactions in accordance with the requirements of Section 188 of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges ("Listing Agreement"). Thereafter, pursuant to introduction of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and amendments in the Act, the Company had revised the policy on May 17, 2019 effective from May 17, 2019. The Company has again revised its Policy on Related Party Transactions to align it with the updated provisions of the Listing Regulations and the Act.

This revised and amended Policy has been adopted by the Board of Directors of the Company at its meeting held on 17th May, 2022 pursuant to the Sixth Amendment to Listing Regulations. This Policy shall be effective with retrospective effect from April 01, 2022.

This Policy will supersede and update the Company's earlier Related Party Transaction Policy which was adopted by the Board of Directors at its meeting held on May 17, 2019.

##### 2. Definitions and Applicability

"Arm's Length Price" means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.

"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

"Audit Committee" means the Committee of Board of Directors of the Company, constituted under provisions of Listing Regulations and the Act;

“Board” means the Board of Directors of the Company;

“Material Related Party Transaction” means an RPT with thresholds as prescribed under the Listing Regulations

“Material modification” means any subsequent change to an existing RPT, having variance of 20% of the existing limit or INR 5 crores whichever is lower.

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

### 3. Review and approval of Related Party Transaction

#### A. Audit Committee

All the transactions which are identified as Related Party Transactions and subsequent material modifications thereof shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself/herself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. For administrative convenience, the Audit Committee would provide the omnibus approval annually for estimated value of transactions with each specified related party for any transaction individually or taken together with previous transaction(s) during a financial year not exceeding 10% percent of the annual consolidated turnover of the Company as per the last audited financial statements.

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

The Audit Committee shall also pre-approve related party transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value crosses the thresholds as prescribed under the Listing Regulations.

## B. Board of Directors

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

## C. Shareholders

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 price and exceeds the thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a 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.

- D. The provisions of regulation 23(2), (3) and (4) 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.
- E. 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 obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.
- F. All transactions involving transfer of resources, services or obligations between a Company or any of its subsidiary and a related party or any of its subsidiary or any other person/entity the purpose and effect of which would benefit, related party or any of its subsidiary regardless of whether a price is charged or not, are considered related party transactions as per SEBI.
- G. All Directors and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence. Further, Directors and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. Such disclosures shall be made in the format annexed as Schedule I.

In addition, all Directors and KMPs are responsible for giving notice to the Company Secretary of any potential Related Party Transaction involving them or their Relatives.

## H. Reporting of Related Party Transactions

Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

This updated Policy will be uploaded on the website of the Company

For MPS Limited

Chairman, CEO & Managing Director

Date: May 17, 2022

SCHEDULE - I

Name of Person:

The details of my relatives are as under:

Sl. No.	Name of Relative	Relationship	Occupation	PAN/ Other Identifications	Entities in which the relative is a self proprietor/ partner of a Firm or Member/ Director of a Pvt. Company	Entities in which the Director together with his relative(s) holds more than 2% of the paid up share capital of a public limited company of which the director is also a director
		Wife/ Husband				
		Father (including step-father)				
		Mother (including step mother)				
		Son(s) (including step son)				
		Son's Wife				
		Daughter(s)				
		Daughter's husband				
		Members of HUF of which 1 am a member (Other than those mentioned above)				