

## **Policy on Related Party Transactions (RPT)**

1. Related Parties :
  - a. Directors & their relatives
  - b. Key Management Personnel (KMP) & their relatives
  - c. Firm, where A &/or B are partners
  - d. Private company, where a Company's Director is a member or a Director
  - e. Public company, where A holds more than 2% of paid up share capital
  - f. Holding, Subsidiary or Associated Companies of MRO
  - g. Director / KMP (& their relatives) of the Holding Company
  - h. Any person on whose advise a Director or Manager is accustomed to act
2. Materiality Condition :
  - a. If the Cumulative value of all transactions during a Financial year with a Related Party, exceeds 10% of MRO's Annual Turnover (as per last audited financial statements), it will be considered material in nature, for specific approval from Audit Committee & Shareholders.
3. Ordinary Course of Business :
  - a. Purchasing / Selling of goods & services, with Group Companies worldwide, using the MRO's Standard Transfer Pricing Policy
  - b. Purchasing / Selling of Capital Assets, with Group Companies worldwide, using Arms Length Pricing
  - c. Group Management Services, including IT Services & reimbursement of expenses
  - d. Royalty payments/receipts to/from Group Companies
  - e. Agency Commissions payments/receipts to/from Group Companies
  - f. Dividends
  - g. Salaries, Commissions & Reimbursements, to Directors & KMPS, as per the Company's Policies and Terms of Appointments, which are duly approved by the Board
  - h. Not qualified under Materiality Condition 2 above
4. Approval Process :
  - a. For all RPT under Ordinary Course of Business (as per 1.b. above), the Management will seek prior approval from Audit Committee, based on estimated volume for the financial year.
  - b. Audit Committee can give Omnibus approval for all RPT provided :
    - i. RPT is in line with the Group Standard Transfer Pricing Policy
    - ii. RPT are repetitive in nature
    - iii. An individual RPT value is less than Rs.1 Crore
    - iv. For all other RPT – within the limit of Materiality Condition 2 – Audit Committee will need to approve on individual transaction basis
    - v. Management will update the Actual RPT against Omnibus approvals on a quarterly basis
  - c. All RPT crossing the limit of Materiality Condition 2, and/or NOT in Ordinary Course of Business (3 above), will require approval from Audit Committee, and then additionally from Shareholders also, through a special resolution, wherein the concerned Related Parties shall not participate.