

MAMATA MACHINERY LIMITED

POLICY ON RELATED PARTY TRANSACTIONS



**MAMATA MACHINERY LIMITED**

(Formerly Known as Mamata Machinery Private Limited)

Survey No.423/P, Sarkhej-Bavla Road, Moraiya, Tal: Sanand, Dist: Ahmedabad-382 213, Gujarat, India.

Phone : +91-2717-630800, E-mail : info@mamata.com,

Website : <http://www.mamata.com> CIN - U29259GJ1979PLC003363



## 1. INTRODUCTION

Sub-regulation 1 of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (effective December 1, 2015) requires listed entity to formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the Board of Directors (the “**Board**”) at least once every three years and updated accordingly.

The Board of Mamata Machinery Limited (the “**Company**”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee may from time to time review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

## 2. POLICY OBJECTIVE

The objective of this policy is to ensure proper approval and reporting of transactions between the Company and its Related Parties.

## 3. DEFINITIONS

- 3.1 “**Audit Committee**” or “**Committee**” means the committee constituted by the Board of Directors of the Company, from time to time, under the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
- 3.2 “**Board of Directors**” or “**Board**” means the Board of Directors of Mamata Machinery Limited, as constituted from time to time.
- 3.3 “**Company**” means Mamata Machinery Limited.
- 3.4 “**Key Managerial Personnel**” shall have the meaning ascribed to the term under Section 2(51) of the Companies Act, 2013 and shall mean:
- (i) the Chief Executive Officer or the Managing Director or the manager;
  - (ii) the Whole-time Director;
  - (iii) the Chief Financial Officer; and
  - (iv) such other officer as may be prescribed under the Companies Act, 2013.
- 3.5 “**Material Related Party Transaction**” means a 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.

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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- 3.6 “**Policy**” means this policy on Related Party Transactions as amended from time to time
- 3.7 “**Related Party**”, in relation to the Company, shall refer to an entity which is:
- (i) a related party under Section 2(76) of the Companies Act, 2013; or
  - (ii) a related party under the applicable accounting standards.

The parties specified in Section 2(76) of the Companies Act, 2013 are as under:

- (i) a director or his relative;

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- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid- up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act.

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company which is –
  - (A) a holding, subsidiary or an associate company of the company; or
  - (B) a subsidiary of a holding company to which it is also a subsidiary;
  - (C) an investing Company or the venturer of the Company
- (viii) a director (other than an Independent Director) or key managerial personnel of the holding company or his relative with reference to the Company
- (x) such other person as may be prescribed.

3.8 “**Related Party Transaction**” means a transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

3.9 “**Relative**” means relative as defined under the Companies Act, 2013 and, with reference to any person, means anyone who is related to another, if –

- i. they are members of a Hindu undivided family;
- ii. they are husband and wife; or
- iii. Father (including step-father);
- iv. Mother (including step-mother);
- v. Son (including step-son);
- vi. Son’s wife;
- vii. Daughter;
- viii. Daughter’s husband;
- ix. Brother (including step-brother);
- x. Sister (including step-sister);
- xi. one person is related to the other in such manner as may be prescribed under the Companies Act, 2013.

#### 4. **POLICY**

##### 4.1. **Identification of Related Parties:**

The Company Secretary, based on the declarations provided by the Directors and Key Managerial Personnel and also based on the corporate structure shall prepare a list of all persons who shall be considered as related parties with reference to the Company.





#### 4.2. 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. The Audit Committee would determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

#### 4.3. Restrictions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify:
  - i. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
  - ii. the indicative base price / current contracted price and the formula for variation in the price if any; and
  - iii. such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1,00,00,000 (Rupees One Crore Only) per transaction.

- d. Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

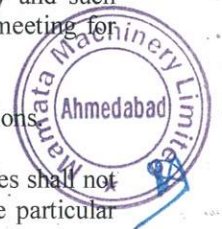
Further, all Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not

Nothing contained in this Paragraph 4.3 shall apply to transactions entered into between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and such consolidated accounts are placed before the shareholders of the Company at the general meeting for approval (such transaction are hereinafter referred to as "Exempted Transactions").

The provisions contained in this Paragraph 4.3 shall be applicable to all prospective transactions.

For the purpose of this Paragraph 4.3, all entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.



#### 4.4. **Review and Approval of Related Party Transactions by Audit Committee**

All Related Party Transactions, including Material Related Party Transaction but excluding Exempted Transactions, will be put to the Audit Committee for its review and prior approval in a meeting or by way of circular resolution. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and 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 all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits/ loss to the Company, and any other relevant matters.

In determining whether to approve a Related Party Transaction, the Committee may consider all such factors/ or may call such information/ or seek external advice/ opinion as it may consider appropriate in its sole judgment.

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 Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary.

#### 5. **POST FACTO CONSIDERATION OF RELATED PARTY TRANSACTIONS**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

#### 6. **REVIEW AND UPDATION OF THE POLICY**

The Board shall review this policy at least once in every three years and if necessary shall update the same on the recommendation of the Committee.

#### 7. **DISCLOSURES**

This Policy will be disclosed on the Company's website [www.mamata.com](http://www.mamata.com) and a web link thereto would be disclosed in the Annual Report of the Company.





**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)**

[Under Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended]  
**(Policy effective from June 21, 2024)**

**1. PURPOSE**

Securities and Exchange Board of India (“SEBI”), vide its notification dated January 15, 2015, had issued SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated July 17 2020, the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2020 (“collectively known as **PIT Regulations**”). As per Regulation 9A of the PIT Regulations, the Board of Directors (“**Board**”) is required to formulate a written policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information (“**UPSI**”) and initiate appropriate action on becoming aware of leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, the Board of Directors of Mamata Machinery Limited, at its meeting held on June 21, 2024, has formulated and adopted this Policy for procedure of inquiry in case of leak of UPSI.

**2. OBJECTIVE**

- a) To strengthen the internal control system to prevent leak of UPSI. All UPSI shall be shared strictly on a need-to-know basis and preferably a record be maintained of persons with whom such information is shared. Information shared through e-mail and preservation of such e-mail shall be sufficient compliance in this regard.
- b) To restrict and prohibit the practice of sharing of UPSI, with any unauthorized person(s), which originates from within the Company and affects the market price of the Company as well as loss of reputation and investors / financier’s confidence in the Company.
- c) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to SEBI promptly.
- d) To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons who is found to have violated this policy and/or the PIT Regulations, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons.

**3. APPLICABILITY**

This policy shall apply to all Designated Persons and Immediate relatives of Designated Persons and persons in possession of or having access to UPSI.

**4. DEFINITIONS**

- (i) “**Audit Committee**” shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) “**Board**” shall mean the Board of Directors of the Company.
- (iii) “**Company**” means Mamata Machinery Limited.
- (iv) “**Chief Investor Relations Officer**” (“**CIRO**”) shall mean the Compliance Officer & Company Secretary of the Company.
- (v) “**Designated Persons**” shall cover all employees whether contractual or otherwise, persons / entities stated under Regulation 9(4) of PIT Regulations and other connected persons as defined under Regulation 2(d) of the PIT Regulations.
- (vi) “**Immediate relative**” shall include persons defined under Regulation 2(f) of PIT Regulations.



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- (vii) **“Unpublished Price Sensitive Information” (“UPSI”)** shall cover information stated under Regulation 2(n) of PIT Regulations.
- (viii) **“Leak of UPSI”** shall refer to such act / circumstance(s)/ communication of information by virtue of which any UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise, before its official publication or announcement or formal circulation in the public domain and which shall also include any purported attempt thereof.

*Note: Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act, 1992 or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended or any other relevant legislation/law applicable to the Company, as amended from time to time.*

## 5. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES AND SEBI

On becoming aware of actual or suspected leak of UPSI in respect of the Company, the CIRO shall ensure that the same is promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in **“Annexure A”** to this policy.

## 6. REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI

On becoming aware of actual or suspected leak of UPSI of the Company, and promptly pursuant to the intimation to the Stock Exchanges as per Clause 5 hereto, the CIRO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in **“Annexure B”** to this policy.

## 7. CONSTITUTION OF INQUIRY COMMITTEE

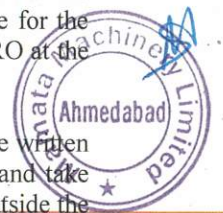
The Board of Directors or any Committee authorized by them in this behalf, shall constitute a Committee to be called as “Inquiry Committee”.

The Inquiry Committee shall consist of minimum 3 (three) members which shall include the Managing Director, Chief Financial Officer and CIRO and / or any other officer(s) of the Company as the Board may deem fit.

The Managing Director may change/alter/re-constitute the Inquiry Committee as may be required from time to time.

## 8. PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

- a) Inquiry under this policy shall commence upon receipt of a written complaint from any employee, department of the Company, Registrar and Share Transfer Agent, Designated Person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory or statutory authority or any other department of Central or State Government.
- b) In case of actual or suspected leak of UPSI, an Inquiry Committee shall be constituted by the Board;
- c) The complaint shall, *inter alia*, state particulars of the Complainee and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged. The complaint shall be addressed to the CIRO at the registered office of the Company or by marking an email to [cs@mamata.com](mailto:cs@mamata.com).
- d) The Inquiry Committee shall meet within a period of 5 (five) working days after receipt of the written complaint as per sub-clause (a) of Clause 7 hereto, of actual or suspected leak of UPSI and take cognizance of the matter. If it is found that the allegation is frivolous, not maintainable or outside the



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scope of the Inquiry Committee, the same may be dismissed for reasons to be recorded in writing. If it is found that the issue requires further investigation, preliminary inquiry may be initiated.

- e) Within 5 (five) working days of receipt of the written complaint, a copy of the same shall be served upon the person against whom a leak has been alleged advising or directing him to give a written representation within 7 (seven) working days of receipt of letter.
- f) Within 7 (seven) working days of receipt of representation, the Inquiry Committee shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as it may deem expedient in this regard. During the course of such investigation, the Committee may call for such additional documents, representations, etc. as it may deem fit.
- g) If no representation is received within the aforesaid stipulated time limit(s), the Inquiry Committee shall issue a notice to the Complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
- h) On completion of the preliminary investigation, receipt of reply to the show cause notice or on non-receipt thereof, the Inquiry Committee shall refer the matter to the Chairman of the Audit Committee, along with its recommendation.
- i) Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and after due review, if it is of the opinion that the complainee is guilty of leak of UPSI or suspected leak of UPSI, then the Audit Committee shall recommend necessary disciplinary actions, which will be in addition to the penal provisions stated under applicable PIT Regulations and any other statutory enactments, as applicable.
- j) The disciplinary action(s) shall, *inter alia*, include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Inquiry Committee, in addition to the action to be initiated by SEBI, if any.
- k) The findings/report/recommendations of the Audit Committee shall be communicated to the Board.
- l) The Company *suo moto* reserves the right of initiating an inquiry under this policy against any Insider if it has reasons to believe that such person has leaked UPSI or is suspected to leak UPSI.

## 9. AMENDMENT

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.



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**Annexure A**

Format for Intimation of Actual or Suspected leak of UPSI to the Stock Exchanges pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

To,  
BSE Limited  
P. J. Towers, Dalal Street, Fort  
Mumbai – 400 001.

To,  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051.

Ref.: BSE Scrip Code No. “ \_\_\_\_\_ ”

Ref: NSE Scrip Code No. “ \_\_\_\_\_ ”

Dear Sir/Madam,

**Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company.	Yes/No
If yes, narration of the same	
Any other information.	

Request you to take the aforementioned on your records.

Thanking you,

Yours faithfully,  
For **Mamata Machinery Limited**

\_\_\_\_\_  
Company Secretary & Compliance Officer



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**Annexure B**

Format for Reporting Actual or Suspected leak of UPSI to the SEBI  
Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015

To,  
Securities and Exchange Board of India  
Plot No. C 4-A, G Block,  
Near Bank of India, Bandra Kurla Complex,  
Bandra East, Mumbai – 400 051, Maharashtra

Ref.: BSE Scrip Code No. “ \_\_\_\_\_ ”

Ref: NSE Scrip Code No. “ \_\_\_\_\_ ”

**Dear Sir / Madam,**

**Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015.**

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company. If yes, narration of the same	Yes/No
Any other information.	

Request you to take the aforementioned on your records.

Thanking you,

Yours faithfully,  
For **Mamata Machinery Limited**

\_\_\_\_\_  
Company Secretary & Compliance Officer

