

MUKAT PIPES LIMITED

RELATED PARTY TRANSACTIONS POLICY

(1) Preface:

Related Party Transactions (RPTs) can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of RPTs as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed there under and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), Mukat Pipes Limited (“the Company”) is required to formulate a Policy for identification of related parties and the proper conduct and documentation of all RPTs.

Further, Regulation 23(1) of the SEBI Listing Regulations requires a Company to formulate a policy on materiality of RPTs and dealing with the RPTs.

The Board of Directors (“the Board”) of the Company has adopted the Related Party Transactions Policy (“Policy”) with regard to RPTs as defined hereunder. The Audit Committee of the Board is empowered to review and amend this policy from time to time.

(2) Objectives:

The objective of this Policy is to set out

- (a) the materiality thresholds for RPTs;
- (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company; and
- (c) lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.

(3) Applicability:

This policy shall be applicable to all transactions made with:

- (a) Board of Directors and their relatives;
- (b) Key Managerial Personnel (“KMP”) of the Bank and their relatives; and
- (c) Related Parties as defined hereinafter.

(4) Definitions:

All terms used in this Policy will have the meanings as assigned to them under the Act and the Rules made thereunder, SEBI Listing Regulations, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

(5) Provisions of the Act and SEBI Listing Regulations:

1. Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires that every listed Company should formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the Board of Directors.

2. “Related Party” shall have the meaning as defined in section 2(76) of the Companies Act, 2013, and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and shall include-

- (i) a director or his relative;
- (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 body corporate which is –

- (A) a holding, subsidiary or an associate company of such company;
- (B) a subsidiary of a holding company to which it is also a subsidiary; or
- (C) an investing company or the venturer of a company;
- (ix) any person or entity forming a part of the promoter or promoter group;
- (x) any person or entity who either directly or on a beneficial interest basis holds 20% or more equity shares in the Company, at any time, during the immediately preceding financial year.

(6) Identification of Related Parties:

The Directors and KMPs are mandated to promptly communicate to the Board the list of Related Parties on their appointment as Director / KMP and any changes thereafter in the initial disclosure of Related Parties submitted by them.

(7) Identification of potential Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee regarding 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 notice of any such potential Related Party Transaction should be given to the Board / Audit Committee well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

The Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

(8) Approval of Related Party Transactions:**i. Prior Approval of Audit Committee:**

All Related Party Transactions and subsequent Material Modifications shall require prior approval of Audit Committee. Related Party Transactions shall be approved only by those members who are Independent Directors.

ii. Omnibus Approval:

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions, namely:

- a. the Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b. the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in 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 shall be entered into,
 - (ii) the indicative base price / current contracted price and formula for variation in the price if any; and
 - (iii) such other conditions as the Audit Committee may deem fit;
- d. the 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 approvals given.
- e. such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after expiry of one year.

iii. Shareholders' Approval:

All the Material Related Party Transactions as per the threshold prescribed under SEBI Listing Regulations and subsequent material modifications shall require prior approval of the shareholders through resolution and all entities falling under the definition of related parties shall not vote to approve such resolution irrespective of whether the entity is a party to the particular transaction or not.

iv. Transaction with Subsidiary Company:

Presently, the Company is not having any subsidiary Company and therefore approval for Related Party Transactions with Subsidiary Company is not applicable.

(9) This policy is to regulate transactions between the Company and its Related Parties, and requires the following:

The Company shall not enter into any contract or arrangement or subsequently modify materially such contract or arrangement with a Related Party, whether in the ordinary course of business or not and whether at arm's length or not, without the prior approval of the Audit Committee. Transactions with Related Parties under duly approved contracts or arrangements shall not require prior approval of the Audit Committee.

In the event any contract or arrangement with a Related Party is not in the ordinary course of business or is not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013, and the Rules framed thereunder and for such contract or arrangement, obtain approval of the Board or its Shareholders, as described hereafter.

All material related party transactions will be placed for the approval of Shareholders of the Company. A transaction with a related party is considered material if the transaction to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds specified thresholds as defined in Column C hereafter.

(10) Approval Matrix for Related Party Transaction is, as under:

Audit Committee Approval	Board Approval	Shareholders' Approval
All Related Party Transactions	Related Party Transactions referred by Audit Committee for approval of the Board	Approval by resolution for: a. Material Related Party Transactions
	Related Party Transactions, to be approved by the Board, as required under the applicable Law / Regulations applicable to the Company	b. Related Party Transactions not in Ordinary Course of Business or not on Arm's Length basis and crosses threshold limit as prescribed under the Act / Regulations applicable to the Company.
	Related Party Transactions requiring shareholders' approval	

Note: No related party shall vote to approve relevant shareholders' resolutions irrespective of whether the entity is a related Party to the particular transaction or not.

(11) Disclosure:

This Policy shall be disclosed on the Company's website www.mukatpipes.com and web link thereto shall be provided in the Annual report of the Company.

(12) Review:

Pursuant to Regulation 23(1) the policy be reviewed as and when required but at least once every three years.

(13) Amendment:

Provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Date: 10-08-2022