

**AMFORGE INDUSTRIES LIMITED**  
RELATED PARTY TRANSACTION POLICY

1. Introduction

The Board of Directors (the “Board”) of Amforge Industries Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions (“RPT”) and materiality of such transactions.

2. Objective:

Related Party Transactions have been one of the major areas of focus for corporate governance reforms. The Changes introduced in the Corporate Governance norms through the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the LODR 2015”) require the companies to have enhanced transparency and due process for approval of the Related Party Transactions. One such requirement is that companies are required to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. This policy is to regulate transactions between the Company and its Related Parties based laws and regulations applicable to the Company. This policy intends to ensure proper approval and reporting of transactions between the Company and its Related Parties.

3. Definitions

“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” or “Committee” means Committee constituted by the Board of Directors of the Company, from time to time, under provisions of LODR 2015 and the Companies Act, 2013.

“Board of Director” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Company” means Amforge Industries Limited.

“Control” means:

- (a) Ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or
- (b) control of the composition of the Board of Directors in the case of a Company or of the composition of the corresponding governing body in case of any other enterprise, or
- (c) substantial interest in voting power and the power to direct, by statute or agreement, the financial and/ or operating policies of the enterprise.

“Key Managerial Personnel” in relation to the Company, as defined under the Companies Act, 2013 means:

- (i) The Chief Executive Officer, or the Managing Director or the Manager;
- (ii) The whole-time Director;
- (iii) The Company Secretary; and
- (iv) The Chief Financial Officer.

“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.

“Policy” means Policy on Related Party Transactions.

“Related Party” means related party as defined in the LODR,2015 which is as follows:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013 which means:
  - (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 is a member or director;
  - (v) a public company in which a director or managers a director or holds along with his relatives, more than two percent of its paid-up share capital;
  - (vi) anybody 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 such company; or
    - (B) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) such other person as may be prescribed.

“Related Party Transaction” in relation to the Company means a transaction (the term will include a single transaction or a group of transactions in a contract) which is:

- a) A transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged;
- b) A contract or arrangement with a related party with respect to:
  - i) Sale, purchase or supply of any goods or materials;
  - ii) Selling or otherwise disposing of, or buying, property of any kind;
  - iii) Leasing of property of any kind;
  - iv) Availing or rendering of any services;
  - v) Appointment of any agent for purchase or sale of goods, materials, services or property;
  - vi) Such related party’s appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
  - vii) Underwriting the subscription of any securities or derivatives thereof, of the Company;
- c) defined as a ‘related party transaction’ under the relevant provisions of the Companies Act, 2013 or the LODR 2015 or any other related law, regulation, accounting standards etc. as amended from time to time.

“Relative” means relative as defined under section 2(77) of the Companies Act, 2013 and Rule framed thereunder, 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).

“Significant influence “means participation in the financial and/ or operating policy decisions of an enterprise, but not control of those policies.

#### 4. Applicability

The Policy shall be applicable to all the Related Party Transactions entered in to by the Company except the following:

- a) Loans/ advances given to a related party.
- b) Guarantee given or security provided in connection with a loan to a related party.
- c) Investment(s) made in a related party.
- d) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- e) Any transaction in which the Related Party’s interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

#### 5. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.