

M M FORGINGS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

(approved by the Board of M M Forgings Limited)

1. The Company shall not enter into any Contract or Arrangement with a Related Party Approval without the approval of the Audit Committee.
2. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following:
 - Such approval shall be applicable in respect of transactions which are repetitive in nature, and there exists material that signifies that the same would serve the best interests of the Company.
 - While granting such approval, there shall be specified or indicated broadly, (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into and such other conditions as the Audit Committee may deem fit.
 - Where the need for Related Party Transaction cannot be foreseen and aforesaid details not available, the Audit Committee may grant omnibus approval for such transactions.
 - Audit Committee may subsequently review the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given, ordinarily on a quarterly basis.
3. In the event such contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed there under and obtain approval of the Board or its Shareholders, as applicable, for such contract or arrangement.
4. All definitions and meaning in this Policy shall have the same meaning as stipulated in the Companies Act, 2013 and the Rules framed thereunder.
5. All Material Related Party Transactions will be placed for approval of the shareholders of the Company.
6. A transaction with a Related Party is considered Material, if the Transaction/ Transactions to be entered into, either individually or taken together with previous transactions with such Related Party during a financial year, exceeds 5 % of the annual

turnover or 20% of the net worth as per the last audited financial statements of the company, whichever is higher.

7. In the event the Company becomes aware of a Related Party Transaction that has not been approved in terms of this Policy prior to its consummation, the matter shall be placed before the Audit Committee. The Audit Committee shall consider all 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. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting of such Related Party Transaction and shall recommend such action as it may deem appropriate.

8. Disclosure of Related Party Transactions:

8.1 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.
(*Effective from the half year ending March 31, 2019.*)

8.2 Disclosures of transactions of the Company with any person or entity belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.
(*Effective from Annual Report for the year ending March 31, 2019.*)