

KALYANI FORGE



KALYANI FORGE LIMITED

Policy on Dealing with Related Party
Transactions (RPT)

Updated as on November 12, 2025.

1. Objective and Scope

This Policy is framed pursuant to **Section 188 of the Companies Act, 2013** and **Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**. It seeks to ensure that transactions with Related Parties are conducted transparently, at arm's length, and in the best interest of shareholders.

- **Regulation 23(1)**: All related party transactions shall require prior approval of the Audit Committee.
- **Regulation 23(4)**: All material related party transactions shall require approval of shareholders by ordinary resolution.
- **Section 188(1)**: Lists specific related party transactions requiring Board/Shareholder approval if not in ordinary course or not at arm's length.

2. Applicability

Applicable to: - All transactions between the Company and Related Parties. – All subsidiaries, joint ventures, and associate entities. - Transactions as defined under the Act, Listing Regulations, and Accounting Standards.

3. Key Definitions (with Legal References)

- **Related Party**: As defined in **Section 2(76) of the Companies Act, 2013** and **Regulation 2(1)(zb) of SEBI LODR**.
- **Related Party Transaction**: As per **Section 188(1) of the Companies Act, 2013** and **Regulation 2(1)(zc) of SEBI LODR**.
- **Material Related Party Transaction**: Exceeding ₹1000 crore or 10% of the consolidated annual turnover, whichever is lower (**Regulation 23(1)**).
- **Material Modification**: Financial variation exceeding 10% or ₹50 crore, whichever is higher.
- **Arm's Length**: Defined in **Section 188(1) Explanation (b)**.

4. Identification and Review Process

- All Directors and KMPs shall provide disclosures of interests under **Section 184(1) and Rule 9 of the Companies (Meetings of Board and its Powers) Rules, 2014**.
- The CS shall maintain a **Register of Related Parties (Form MBP-4)**.
- Proposed RPTs shall be vetted by CFO/CS for arm's length basis and submitted to the Audit Committee.

5. Approval Matrix

Stage	Authority	Legal Reference
Ordinary Course & Arm's Length	Audit Committee	Regulation 23(2) & Section 177(4)(iv)
Not in Ordinary Course / Not Arm's Length	Board of Directors	Section 188(1)
Material RPTs	Shareholders	Regulation 23(4)

Interested Directors/Parties shall abstain from discussion and voting (**Section 184(2), Regulation 23(7)**).

6. Arm's Length Validation

- Benchmarking through independent professional assessment for major or recurring transactions.
- Omnibus approvals valid for **one financial year** and reviewed quarterly (**Regulation 23(3)**).

7. Monitoring and Disclosure

- **Regulation 23(9)**: Listed entity shall disclose RPTs on a consolidated basis every six months within 15 days of publication of financial results.
- **Section 134(3)(h)**: Board's Report shall disclose particulars of related party contracts or arrangements.
- Disclosures shall also be made on the Company's website and in the Annual Report.

8. Training and Sensitization

The Secretarial Department shall conduct **annual workshops** for Directors, KMPs, and business heads to ensure continuous awareness of RPT compliance requirements.

9. Policy Governance

Particular	Details
Policy Owner	Company Secretary
Review Authority	Audit Committee / Board
Effective Date	November 12, 2025
Regulatory Reference	SEBI LODR Regulation 30, Schedule III
Disclosure	www.kalyaniforge.com