GUJARAT VICTORY FORGINGS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

[ADOPTED BY BOARD ON 12TH MARCH, 2026]

DESCRIPTION OF DOCUMENT: *This document provides a brief description of the* ***Policy on Related Party Transactions*** *at Gujarat Victory Forgings Limited.*

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(Formerly Known as Gujarat Victory Forgings Private Limited)
CIN: U27201GJ1990PLC014433

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POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

Gujarat Victory Forgings Limited ("**Company**") recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's interests. Therefore, this Policy has been adopted by the Company's Board of Directors, as recommended by the Audit Committee, in order to determine the manner of dealing with Related Party Transactions including determination of materiality of Related Party Transactions, Material Modifications (as defined below), and setting forth the procedures under which certain transactions must be reviewed and approved as per the applicable provisions of Companies Act and SEBI LODR Regulations as defined below.

2. PURPOSE

This Policy is framed as per the requirement of Regulation 23 of the SEBI LODR Regulations and is intended to ensure proper reporting, approval, and disclosure of Related Party Transactions. Such transactions may be considered appropriate only if they are in the best interest of the Company.

3. DEFINITIONS

a. "**Audit Committee**" or "**Committee**" means Audit Committee constituted by the Board, from time to time, under Section 177 of the Companies Act and the SEBI Listing Regulations.

b. "**Board**" or "**Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

c. "**Companies Act**" means the Companies Act, 2013 together with the rules formulated thereunder, as amended from time to time.

d. "**Director**" means a member of the Board of Directors of the Company.

e. "**Key Managerial Personnel**" or "**KMP**" means, in relation to the Company: (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole-time Director; (iv) the Chief Financial Officer; and (v) such other officer, not more than one level below the Directors, who is in whole-time employment and is designated as Key Managerial Personnel by the Board, in each case as defined under Section 2(51) of the Companies Act, 2013, and shall be construed consistently with the definition of "Key Managerial Personnel" under the Company's other governance policies.

f. "**Material Modification**" shall mean a modification to the terms of Related Party Transaction, the effect of which will be an increase over the approved limit for such a transaction, by an amount of more than Rs.50 Crores in a financial year or ten percent (10%) of the approved limit, whichever is higher.

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g. "**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 the thresholds specified in Schedule XII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. 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/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five per cent (5%) of the annual consolidated turnover as per the last audited financial statements of the Company.

h. "**Policy**" means this Related Party Transactions Policy.

i. '**Promoter**' and '**Promoter Group'** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof.

j. "**Related Party**" means a related party as defined under Regulation 2(1) (zb) of SEBI LODR Regulations, as amended from time to time.

k. "**Related Party Transaction**" means the transaction as prescribed under Regulation 2(1)(zc) of SEBI Listing Regulations and Section 188 of the Companies Act, and Indian Accounting Standard (Ind AS) 24 (Related Party Disclosures), and includes any Material Modifications.

l. "**Relative**" means a relative as defined in Section 2(77) of the Companies Act, 2013.

m. "**SEBI LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

n. "**Subsidiary**" means a subsidiary as defined in section 2(87) of the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act or SEBI LODR Regulations.

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee unless otherwise specifically exempted in accordance with this Policy.

Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

4.1.1. Identification/monitoring mechanism of potential Related Party and Transactions

The Company shall identify the Related Parties and the transaction with the Related Parties as follows:

a. Every director and Key Managerial Personnel shall be responsible for providing to the Board or the Audit Committee, a list of his/her related parties at the time of his/her appointment, on an annual basis

and whenever there is a change in the information already submitted. They shall also, provide declarations within 30 days if there has been a change in the details from the last declaration made under this Related Party Policy.

b. The list of Promoters and Promoter Group shall be as per disclosure(s) under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

c. Each Subsidiary of the Company shall provide its list of Related Parties and changes therein to the Company promptly.

d. The Company shall review and update the list of Related Parties on a regular basis and changes, if any, shall be considered as soon as possible.

The Company shall put in place an appropriate monitoring mechanism to track all the transactions with Related Parties which may *inter-alia* include the following:

a. The Company shall maintain an up to date database of Related Parties including their PAN or any other unique identity number.

b. The Company shall put in place a process to assess all the potential transactions with Related Parties ahead of the transactions and seek necessary approvals from the Audit Committee/ Board/shareholders as the case may be.

c. The Chief Financial Officer ("CFO") is responsible for identification of the potential Related Party Transactions and to provide necessary information in advance to the Company Secretary for initiating the process to obtain the necessary approvals of the Audit Committee/Board/Shareholders. Further, the Chief Financial Officer and the Managing Director are responsible for providing additional information about Related Party Transactions that the Board / Audit Committee may request, for being placed before the Audit Committee / Board.

d. The Related Party transactions shall be flagged for further evaluation/ monitoring and compliance of this Policy.

4.2. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

4.2.1. Approval of Audit Committee

All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee (which for the purpose of approval, includes only the independent director members). Accordingly, all proposed Related Party Transactions or Material Modifications must be reported to the Audit Committee for prior approval by the Committee. Further, a Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee if (i) the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company or (ii) the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

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The CFO of the Company shall provide to the Committee all relevant material information of all Related Party Transaction(s), including the terms of the transaction(s), the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters inter alia including the following:

(i) the name of the related party and nature of relationship;

(ii) the nature, duration of the contract and particulars of the contract or arrangement;

(iii) the material terms of the contract or arrangement including the value, if any;

(iv) any advance paid or received for the contract or arrangement, if any;

(v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

(vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;

(vii) the persons/authority seeking the approval of the proposed transaction; and

(viii) any other information relevant or important for the Committee to take a decision on the proposed transaction.

In determining whether to approve a Related Party Transaction or Material Modification, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction or Material Modification thereof:

(i) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

(ii) Whether the Related Party Transaction would affect the independence of the Director/KMP;

(iii) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and

(iv) Whether the Related Party Transaction is in the nature of conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the Directors, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

(v) Whether there are any compelling business reasons / rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

(vi) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company.

Subject to the provisions of the applicable laws, the Audit Committee will have the discretion to approve/modify/recommend/refer the proposed Related Party Transaction for the approval of Board or

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shareholders.

Further, in the event a Related Party Transaction 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 obtain approval of the Board and/or its shareholders, as applicable.

4.2.2. Approval of Board of Directors

The following transactions shall require prior approval of the Board duly recommended by the Audit Committee:

a. All transactions with Related Parties specified under Section 188 of the Companies Act, 2013 which are not in ordinary course of business or not at arm's length or both.

b. All transactions with Related Parties which require approval of the shareholders under the Companies Act or SEBI LODR Regulations.

4.2.3. Approval of shareholders

a. All Material Related Party Transactions and any subsequent Material Modifications made thereto, shall require prior approval of the shareholders through a resolution and the Related Parties shall not vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

b. All Related Party transactions specified under Section 188 of the Companies Act,2013 which are not in the ordinary course of business or not on arm's length basis or both and exceed the threshold limits specified thereunder shall require prior approval of the shareholders through a resolution and voting restrictions for this purpose would be governed by the Companies Act as amended from time to time.

5. PROCEDURE FOR APPROVING RELATED PARTY TRANSACTIONS AND MATERIAL MODIFICATIONS

5.1. The Audit Committee / Board / shareholders shall be provided with the material facts of such Related Party Transactions and such information as specified under the Companies Act or SEBI LODR Regulations or any notifications/circulars issued in this regard, as amended from time to time and the Audit Committee / Board/shareholders will determine whether to approve such Related Party Transactions or not.

Further, the Audit Committee / Board, as the case may be, is entitled to seek the assistance of any employee of the Company or its Subsidiaries or one or more independent experts of its choice at the expense of the Company or its Subsidiaries.

5.2. In assessing a Related Party Transaction, the Company and the Audit Committee shall consider such factors as it deems appropriate, including without limitation –

i. the business reasons for the Company to enter into the Related Party Transaction.
ii. the commercial reasonableness of the terms of the Related Party Transaction.
iii. the materiality of the Related Party Transaction to the Company or its Subsidiaries.
iv. whether the terms of the Related Party Transaction are fair to the Company or its Subsidiaries and on

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the same basis as would apply if the transaction did not involve a Related Party.

v. the extent of the Related Party's interest in the Related Party Transaction and
vi. abuse of position on account of conflict of interest and non-arm's length dealings which are beneficial to the related party but detrimental to the other stakeholders.

6. RELATED PARTY TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL

The following Related Party Transactions shall not require approval of Audit Committee/ Board/shareholders as the case may be:

i. any transaction including subsequent Material Modifications entered into between
a. the Company and its wholly owned Subsidiary or
b. two wholly owned Subsidiaries of the Company
whose accounts are consolidated with the Company and placed before the shareholders of the Company at the general meeting for its approval.
c. Such other transactions as prescribed under applicable law.

ii. any Related Party Transactions including subsequent material modifications entered into by a listed Subsidiary of the Company which is required to comply with Regulation 15(2) and Regulation 23 of SEBI LODR Regulations, provided the Company is not a party to such transaction.

iii. any related party transactions including subsequent modifications entered by unlisted Subsidiary of a listed subsidiary, provided prior approval of Audit Committee of the listed subsidiary which is required to comply with Regulation 15(2) and Regulation 23 of SEBI LODR Regulations is obtained.

iv. any transaction in respect of a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within the prescribed timeline.

7. MECHANISM FOR DETERMINING ORDINARY COURSE OF BUSINESS AND ARM'S LENGTH BASIS:

Ordinary course of business:

a. All transactions or activities that are necessary, normal, and incidental to the business of the Company shall be deemed to be in the ordinary course of business. These may also be common practices and customs of commercial transactions.

To decide whether an activity which is carried on by the business is in the 'ordinary course of business', the following factors inter-alia may be considered:

i. Whether the activity is covered in the objects clause of the Memorandum of Association
ii. Whether the activity is in furtherance of the business
iii. Whether the activity is normal or otherwise routine for the particular business (i.e., activities like advertising, staff training, etc.)
iv. Whether the activity is repetitive/frequent
v. Whether the income, if any, earned from such activity/transaction is treated as business income in the company's books of account
vi. Whether the transactions are common in the particular industry

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vii. Whether there is any historical practice to conduct such activities
viii. The financial scale of the activity with regard to the operations of the business
ix. Revenue generated by the activity
x. Resources committed to the activity Arm's Length:

b. The following guidelines may be used for determining the arm's length basis:

- transaction did not involve a Related Party.
- whether there are any compelling business reasons to enter into the transaction and the nature of alternative transactions, if any.
- whether the transaction would affect the independence of an Independent Director.
- whether the transaction poses any consequential potential reputational risk issues.
- whether the transaction would present an improper conflict of interest for any Director or KMP, taking into account the size of the transaction, the overall financial position of the Director/KMP or other Related Party, the direct or indirect nature of the Directors', KMPs', or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship.

For determining the arm's length pricing, the Transfer Pricing guidelines issued by the relevant authorities under the provisions of Income-Tax Act 1961 may be used to determine these criteria on a case-to-case basis.

An Independent Chartered Accountant or a firm/LLP of Chartered Accountants shall provide a quarterly certification to the Audit Committee certifying that all the Related Party Transactions are in the ordinary course of business and at arm's length.

8. OMNIBUS APPROVAL

Criteria and the need for granting omnibus approval by the Audit Committee:

a. The Audit Committee may, in the best interests of the Company and to ensure smooth operations, grant omnibus approval for Related Party Transactions, proposed to be entered into by the Company, which are routine and repetitive in nature and incidental to the general operations of the Company, subject to such criteria/conditions as it may deem fit, after taking into account the justification for needing an omnibus approval. Such approval shall specify the details as required under the Companies Act, SEBI LODR Regulations or any notifications/circulars issued thereunder, as amended from time to time.

b. The Audit Committee may specify any additional conditions for such determination, as it may deem fit.

c. The Audit Committee may also consider and grant omnibus approval for unforeseen transactions, subject to their value not exceeding Rs. 1 crore per transaction.

d. Such omnibus approvals shall be valid for a maximum period of one year.

e. The Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to such omnibus approvals, on a quarterly basis.

f. The Audit Committee shall also review the status of long-term (more than one year) and recurring

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Related Party Transactions on an annual basis.

9. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

9.1. In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the 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 such Related Party Transaction to the Audit Committee under this Policy and shall take any such action it deems appropriate.

9.2. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without its approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

9.3. In cases where the Board and / or shareholders' approval is required for a Related Party Transaction, but such approval has not been obtained, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such Related Party Transaction was entered into, such Related Party Transaction shall be voidable at the option of the Board.

10. DISCLOSURES:

The Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company. Further, the Company shall make necessary disclosures as per the requirements under the Companies Act, SEBI LODR Regulations and Indian Accounting Standards, as the case may be, within the prescribed timelines.

11. LIMITATION, AMENDMENT(S), AND POLICY REVIEW:

In the event of regulatory changes which make any of the provisions in the Policy inconsistent such amended regulatory changes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with applicable law(s).

This Policy shall be reviewed by the Audit Committee and Board at least once every three years. Any changes or modification on the Policy as recommended by the Audit Committee would be presented for approval of the Board. The Board may from time to time authorise Directors to make changes in the policy due to regulatory or legal requirement and such changes made to be brought to the attention of the Board at the first meeting following the amendment(s).

This Policy shall come into effect from 12th March, 2026.

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For and on behalf of Board
Gujarat Victory Forgings Limited
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Rahul Vijendra Agrawal
Chairman & Managing Director
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