FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

Sr. No	Particulars	Details
1	Name of policy	Related Party Policy
2	Amendment to policy	Pursuant to amendment in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated June 26, 2025, and October 13, 2025
3	Adoption of Policy	April 29, 2024
4	Policy drafted by	Secretarial Department of the Company
5	Policy reviewed & recommended by	Audit Committee of the Company
6	Policy approved by	Board of Directors of the Company
7	Revised Approval date of the Policy	January 22, 2026
8	Last modified policy date	January 24, 2025 October 30, 2025
9	Effective date of the Policy	April 29, 2024
10	Next review on policy	Policy should be reviewed at least once every three years or earlier if there are any regulatory change

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

RELATED PARTY POLICY

I INTRODUCTION

The Companies Act, 2013 and the Rules framed thereunder contains provisions relating to compliances with respect to related party transactions. SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 requires that every company should formulate a Related Party Policy (Policy).

The purpose of such Policy is to ensure an effective system of checks and balances and a disclosure process to encourage transparency, adoption of best governance practices and that all Related Party Transactions are in the best interests of all the members.

II DEFINITIONS

"Act" shall mean the Companies Act, 2013 as amended from time to time and the Rules framed thereunder.

"Arm's Length Transaction" shall mean a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

"Audit Committee" shall mean the Audit Committee of the Board.

"Board" shall mean the Board of Directors of the Company.

"Company" shall mean **Forbes Precision Tools And Machine Parts Limited**.

"Key Managerial Personnel" or "KMP" shall mean:

i. The Chief Executive Officer or the Managing Director or the Manager or the Whole Time Director;
ii. The Company Secretary;
iii. The Chief Financial Officer; and
iv. Any other person appointed as the KMP by the Board.

"Material Related Party Transactions" "Material Related Party Transactions" shall mean thresholds specified in Schedule XII as per revised Regulation 23(1)..

"Material Modification" means any modification made in the value/exposure of any ongoing/proposed related part transaction, as originally approved by Audit Committee and /or Shareholders, which has the effect of variation in the approved value of the transaction by 20 % or more or by which the transaction ceases to be in the ordinary course and/or arm's length basis or such other parameter as may be determined by the Audit Committee from time to time.

In case a modification is required pursuant to amendment to the applicable laws, it shall not be regarded as a material modification.

"**Omnibus Approval**" shall mean a blanket pre activity approval by the Audit Committee subject to compliance of the conditions as laid in this Policy.

"Ordinary Course of Business" shall mean a transaction which is carried out in the normal course of business by the Company or is an activity as envisaged in the Memorandum of Association of the Company as amended from time to time.

"Related Party" shall have the same meaning as defined under Section 2(76) of the Act and/or the applicable accounting standards or SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

"Related Party Transactions" or "RPT" shall mean all transactions between the Company and one or more related party(ies) or the Company and any other person /company that directly/indirectly result in benefits to the related party of Company including contracts, arrangements and transactions as provided in Section 188(1) of the Act and/or Regulation 2(zc) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

"Relative" shall have the same meaning assigned to in Section 2(77) of the Act.

"Transaction" shall mean to include a single transaction or a group of transactions in a contract.

III POLICY

i. Company Secretary (CS) shall request a disclosure from each Director and each KMP on an annual basis. If there is any change in status from the disclosure made by Director and/or KMP, the concerned Director or KMP shall promptly notify the CS. Once the changes are intimated/notified, CS shall note, document and intimate it to Corporate Finance Team for monitoring.

ii. All RPTs and subsequent material modifications by the Company with related parties shall require prior approval of the Audit Committee (only the Independent Directors of Audit Committee, shall approve RPTs) unless it is covered under Omnibus Approval granted by the Audit Committee as below.

iii. Omnibus Approval may by granted by the Audit Committee to the Company or its Subsidiaries if following conditions are satisfied:
   a) Such RPTs are repetitive in nature;
   b) Such an approval is expedient and is in the interest of the Company;
   c) The approval should specify the (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.
   In case the need for RPT cannot be foreseen and aforesaid details are not

available, an omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore for each of Related Parties;

d) The Audit Committee shall review the details of RPTs entered into by the Company or its Subsidiaries pursuant to Omnibus Approval/s on quarterly basis; and
e) Validity of Omnibus Approvals shall be reviewed and renewed after the expiry of one year by the Audit Committee.

iv. The Audit Committee shall on a quarterly basis review all the RPTs entered by the Company or its Subsidiaries.

v. The Independent Directors of Audit Committee, may ratify RPTs within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
   a) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees 1 crore;
   b) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation
   c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
   d) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
   e) any other condition as specified by the audit committee.

   In case the Company fails to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

vi. In case any transaction with a Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board and its shareholders, as applicable.

vii. In case of any Material Related Party Transaction, the approval of the shareholders by way of resolution is also required irrespective of the fact whether the transaction is in the ordinary course of business or arm's length or both and no Related Party shall vote to approve such resolutions whether the related entity is a related party to the particular transaction or not.

   Provided the requirement specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognised stock exchange within one day of the resolution plan being approved.

   Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

   Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

viii. The Audit Committee shall have the discretion to recommend/refer any matter relating to any RPTs to the Board for its approval.

Subsidiary Companies

ix. a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party, but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:

(a) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or

(b) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

x. In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

(a) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or

(b) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

IV INDUSTRY STANDARDS

In accordance with SEBI Circular dated June 26, 2025, RPT Industry Standards were issued-effective from September 01, 2025, and Circular dated October 13, 2025 the following provisions were incorporated:

a) Minimum Information for Audit Committee and Shareholder Approval:

The management shall provide a comprehensive disclosure package including:

- Part A: This part of the Standards captures the minimum information of the proposed RPT and is applicable to all RPTs.
- Part B: This Part is applicable only if a specific type of RPT is proposed to be undertaken and is in addition to part A.
- Part C: This part is applicable only if a specific type of RPT proposed to be undertaken is a Material RPT as defined under Regulation 23 (1) & (1A) of SEBI (LODR); and is in addition to Part A and Part B.
- Simplified disclosures apply for transactions up to the lower of 1% of annual consolidated turnover as per last audited financial statement or ₹10 crore.

b) Exemptions:

The disclosure standards shall not apply to:

- Transactions exempted under Regulation 23(5) of the SEBI (LODR) Regulations,

2015.

- Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- Transactions with a related party to be entered into individually or taken together with previous transaction during a financial year (including which are approved by way of ratification) do not exceed Rs. One Crore.

c) Transitional Provisions:

- Approvals obtained before September 01, 2025, shall remain valid unless materially modified or renewed thereafter.

- Any modification, renewal, or new RPT after September 01, 2025, shall comply fully with the revised disclosure and approval framework.

V COMPLIANCE

i. Every person associated with RPTs shall be accountable for compliance with this Policy.

ii. In case of breach of Policy, Audit Committee may initiate appropriate action against the person/s responsible.

VI APPLICABILITY

This Policy applies to all the transactions of the Company with related parties and shall be effective immediately.

VII INTERPRETATION & REVIEW

i. Subject to the superintendence of the Board, this Policy shall be interpreted and administered by the Audit Committee.

ii. The provisions of the Act and SEBI LODR shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Policy is inconsistent with the provisions of Act and/or SEBI LODR, the provisions of Act and/or SEBI LODR shall prevail.

iii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or SEBI LODR.

iv. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

v. The Audit Committee may also review the Policy from time to time and make recommendations for amendment as it may deem appropriate.