

**POLICY ON DEALINGS & MATERIALITY OF
RELATED PARTY TRANSACTIONS OF
MOHINDRA FASTENERS LIMITED**

OBJECTIVE

The Board of Directors (the “Board”) of Mohindra Fasteners Limited (the “Company” or “MFL”), acting upon the recommendation of its Audit Committee, has adopted this policy (the “Policy”) and procedures with regard to Related Party Transactions (“RPT”). The Audit Committee shall review and may amend this Policy from time to time. This Policy is framed as per requirement of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR), 2015”].

The objective of this Policy and procedure is to ensure that transactions between MFL and its related parties are based on principles of transparency and arm’s length dealings. Likewise, this Policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

DEFINITIONS

- a) **“Audit Committee”** means audit committee of Board of Directors of MFL constituted under provisions of SEBI (LODR), 2015.
- b) **“Key Managerial Personnel”**, in relation to a company, means as defined under section 2(51) of the Companies Act, 2013, viz.
- i) Chief Executive Officer or Managing Director or Manager;
 - ii) Company Secretary;
 - iii) Whole Time Director;
 - iv) Chief financial Officer; and
 - v) Such other officer as may be prescribed.
- c) **“Related Party”** shall mean a person or entity that is related to the company as defined under Section 2(76) of the Companies Act, 2013 or such entity is a related party under the applicable accounting standards or as provided in regulation 2 of SEBI (LODR), 2015 as amended from time to time.

d) **“Related Party Transaction”** shall mean all transactions between the Company and a Related Party as per Regulation 2 of the “SEBI (LODR), 2015” as may be amended from time to time.

e) **“Material Related Party Transaction”** as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 means a transaction with related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

f) **“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.

g) **“Relative”** means relative as defined under section 2(zd) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 2(77) under the Companies Act, 2013.

APPROVAL OF RELATED PARTY TRANSACTIONS

(a) The Related Party Transactions should be in conformity with the prevailing rules and regulations prescribed by law.

(b) All Related Party Transactions shall be placed before the Audit Committee for prior approval of the Audit Committee, as required under the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature, provided that such approval shall remain valid for a period not exceeding one year, during which period the commercial terms of approved Related Party Transactions may change, provided that arm’s length criterion shall be ensured at the time of each such change. Further, where the need for Related Party Transactions cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions provided that the value of each such transaction shall not exceed one crore rupees.

(d) All Related Party Transactions specified in the Act which are not Ordinary Course of Business of the Company or not at Arm’s Length Basis; and exceed the thresholds laid down in Companies (Meeting of Board and its Power) Rules, 2014 shall be placed before the shareholders for its approval. Notwithstanding, the Related Party Transactions which cross the Materiality thresholds as defined herein shall be entered by the Company only with prior approval of shareholders of the Company, as per applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

(e) Subject to the applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the Related Party Transactions, which are not in accordance with this Policy.

(f) The Audit committee shall review the details of related party transactions entered into by listed entity at least once in each quarter pursuant to each of the omnibus approvals given.

ANNEXURE

To,

The Company Secretary/Compliance Officer/ Chief Financial Officer
MOHINDRA FASTENERS LIMITED
304 GUPTA ARCADE, INDER ENCLAVE,
DELHI-ROHTAK ROAD,
NEW DELHI-110041

Dear Sir,

I, _____, being a member of the Board of Directors/Senior Management of Mohindra Fasteners Limited hereby acknowledge, confirm and certify that:

1. I am aware of the Policy for Related Party Transactions of the Company for the Directors/Senior Management/Employees of the Company;
2. During the financial year _____, I have entered into the following contracts/arrangements/transactions with the Company and such contracts/arrangements/transactions qualify as "Related Party Transactions" as per the Policy;
3. I am not aware of any non-compliance with the said policy.

Name:

Designation:

Date:

Place: