



KHAZANCHI
JEWELLERS

RELATED PARTY TRANSACTIONS POLICY

(Framed on 01st April, 2023)

INTRODUCTION AND SCOPE

Khazanchi Jewellers Limited (“the Company”) has always been committed in upholding the highest degree of ethical and legal conduct, while transacting business with related parties.

The Policy on Related Party Transactions includes material thresholds and the manner of dealing with Related Party Transactions (“the Policy”) in compliance with the requirements of the Section 188 of the Companies Act, 2013 and the Rules made there under and read along with Listing Obligations and Disclosure Requirements (lord) regulations. The Policy has been formulated by the Board of Directors, in order to govern the transparency and procedural fairness of the approval process and disclosure requirement in the conduct of related party transactions.

The Audit Committee will review and may amend this policy from time to time subject to the approval of the Board of Directors.

OBJECTIVES

The Listing Agreement entered into with the Stock Exchange directs the formulation of a Policy on Material Related Party Transactions and also on dealings with Related Party Transactions.

DEFINITIONS

- a) **“Act”** means Companies Act, 2013.
- b) **“Arm’s Length basis”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest
- c) **“Audit Committee”** means a committee of Board of Directors of the Company. All Related Party Transactions shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into with the Company which are repetitive in nature and are in the ordinary course of business and at Arm's Length basis, subject to compliance of the conditions contained in LODR.

Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval shall not required

- d) **“Board of Directors”** or **“Board”** means the Board of Directors of the Company.
- e) **“Key managerial personnel”**, in relation to a Company, means the Key Managerial Personnel of the Company as defined under the Act.
- f) **“Material Related Party Transaction”** means a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower
- g) **“Related Party”** means a related party as defined under Companies Act, 2013 and applicable accounting standards.
- h) **“Related Party Transaction”** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged and more specifically shall mean the transactions listed under Section 188 of the Companies Act, 2013 and as defined in Regulation 2(zc) of SEBI (LODR) Regulations, 2015, from time to time.
- i) **“Relative”** means a relative as defined under the Act.
- j) **“Transaction”** with a Related Party shall be construed to include single transaction or a group of transactions in a contract.
- k) **“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

a. Audit Committee:

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolutions by circular. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

Any member of the Audit Committee, who has a potential conflict of interest in any Related Party Transaction, will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information with respect to actual or potential Related Party Transactions. While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

b. Board of Directors

The Related Party Transactions requiring Board consent, as mandated by the Act, shall be placed before the Board for its approval.

If the Audit Committee determines that any Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter, then the Board shall consider and approve such Related Party Transaction.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting, or shall abstain from discussion and voting on the approval of such Related Party Transaction, and shall not be counted in determining the presence of quorum when such Transaction is considered.

c. Shareholders

All the Material Related Party Transactions shall require prior approval of the shareholders, through special resolution, and the Related Parties shall abstain from voting on such resolutions.

All the Transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through special resolution, if so, required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be promptly placed before the Audit Committee or Board of Directors or the Shareholders, as may be required in accordance with this Policy, for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

DISCLOSURES

Details of any Material Related Party Transaction shall be disclosed to the stock exchange, quarterly, along with the compliance report on corporate governance.

The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report.

AMENDMENT

Any subsequent amendment/modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.