

ARJUN JEWELLERS LIMITED
CIN: U36100GJ2020PLC111829

POLICY ON RELATED PARTY TRANSACTIONS

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1. INTRODUCTION

Arjun Jewellers Limited (in consonance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and related provisions of the Companies Act, 2013 (hereinafter referred to as "Act") recognizes the potential conflict of interest between the Company and its stakeholders in case the Company enters into contracts/arrangements with its related party and considering such transactions are at the best interest of both the parties in the given situation.

In light of the aforesaid, Arjun Jewellers Limited ("Company") has framed the Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board in the meeting held on August 18, 2025 based on the recommendation of the Audit Committee. The Audit Committee may from time to time review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

This Policy aims at (a) determination of materiality thresholds; (b) setting proper guidelines for identification of related parties and (c) ensuring proper approval and reporting of transactions between the Company and its related parties.

2. DEFINITIONS

“**Act**” means Companies Act, 2013 and the rules made thereunder as notified by Ministry of Corporate Affairs

“**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.

“**Audit Committee**” or “**Committee**” means the Audit Committee of the Board constituted in accordance with the Act and SEBI Listing Regulations.

“**Board of Directors**” or “**Board**” means the Board of Directors of Arjun Jewellers Limited, as constituted from time to time as per the Act and SEBI Listing Regulations.

“**Company**” means Arjun Jewellers Limited.

“**Industry Standards**” means standards formulated by the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, in consultation with SEBI, for minimum information to be provided for review of the audit committee and shareholders for approval of Related Party Transactions.

“**Key Managerial Personnel (KMP)**” shall mean the Key Managerial Personnel of the Company as defined under the Act.

“**Material Modification**” means any subsequent change to an existing Related Party Transaction, having a variance of ten percent of the existing limit.

“**Material Related Party Transaction**”

means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per its last audited financial statements of the listed entity.

“**Ordinary Course of Business**” with reference to a transaction with a Related Party means a transaction which

is:

- (i) carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
- (ii) historical practice with a pattern of frequency;
- (iii) common commercial practice: or meets any other parameters / criteria as decided by the Board/Audit Committee, from time to time.

“**Policy**” means this policy, as amended from time to time.

“**Relative**” means any person as per Section 2(77) of the Act and rules prescribed there under and as per Regulation 2(1) (zd) of the Regulations as amended from time to time, means anyone who is related to another, if They are members of a Hindu Undivided Family; or

- i. They are husband or wife; or
- ii. One person is related to the another in the following manner, namely:

- (A) Father, includes step-father
- (B) Mother, includes step-mother
- (C) Son includes step-son
- (D) Son’s wife
- (E) Daughter Daughter’s husband
- (G) Brother includes step-brother
- (H) Sister includes step-sister.

“**Related Party**” shall have the same meaning as defined in Regulation 2(zb) of the SEBI Listing Regulations.

“**Related Party Transaction or RPT**” in relation to the Company means a transaction with a related party as defined in 2 (1) (zc) of the SEBI Listing Regulations and under the relevant provisions of the Act or any relevant Indian Accounting Standards, as amended from time to time.

“**SEBI Listing Regulation**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

“**Senior Management Personnel**” or “**SMP**” shall mean the definition assigned to it under SEBI Listing Regulations and the Act, read along with the Company’s Policy on Nomination & Remuneration.

“**Transaction**” with a related party shall be construed to include single transaction or a group of transactions in a contract and includes prospective transactions.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, the SEBI Listing Regulations, Accounting Standard 18 or any other applicable regulation.

3. POLICY OF THE COMPANY

- i. The Materiality of Related Party Transactions same shall be deemed to be as defined under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Act and so far applicable to the Company and its alike transactions as on date and any amendment thereto from time to time of the respective laws.
- ii. Under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) “Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:
 - a. a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
 - b. a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
 - c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board: Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);
 - d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time: Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
 - e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:
- iii. All the transactions with the related parties and subsequent modifications would require prior approval of the Audit Committee provided that only those members of the Audit Committee of the listed entity, only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions including transactions entered into under omnibus approval of the Audit Committee due to repetitive transactions of the same nature and with the same related party as may permitted. The Audit Committee may also grant omnibus approval for certain categories of transactions subject to their value not exceeding Rs. 1,00,00,000 (Rupees One Crore Only) per transaction, which shall be valid for period not exceeding one financial year and shall require fresh approval for the next financial year.

4. MATERIALITY THRESHOLD

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the related parties of a company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (Related Parties can cast only negative vote to reject the shareholders' resolution on material RPT).

- i. The threshold limit for material related party transactions (all transactions taken together in a financial year) shall be, any transaction exceeding rupees one thousand crores or 10% of the annual consolidated turnover of the Company, whichever is lower, as per the last audited financial statement of the Company as prescribed under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. Royalty/brand usage payment to a related party (all transactions taken together in a financial year) shall deemed to be material if the transactions exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company or such higher limit as prescribed under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

5. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

A. Approval of the Audit Committee

All related party transactions and subsequent material modification of the listed company or its subsidiary require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliance with the following conditions:

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following viz.:

- i. The name(s) of the related party, nature of transaction, period of transaction, maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. the indicative base price / current contracted price and the formula for variation in the price if any; and
 - iii. the maximum value per transaction which can be allowed;
 - iv. extent and manner of disclosures to be made to the audit Committee at the time of seeking omnibus approval;
 - v. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each omnibus approval made;
 - vi. transactions which cannot be subject to the omnibus approval by the Audit Committee.
- a. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, viz:-
- i. repetitiveness of the transactions (in past or in future);
 - ii. justification for the need of omnibus approval.
- b. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
- c. The omnibus approval shall provide details of:
- i. transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.
 - ii. transactions entered into between two public sector companies.
 - iii. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand; and
 - iv. transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

B. Approval of Board of Directors

Related Party Transactions which are not in the ordinary course of business or which is in the ordinary course of business but not at arm's length basis shall require approval of the Board either prior to the transaction or approval/ratification within three (3) months from the date of the transaction through a resolution passed at the meeting of the Board shall be necessary.

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for the purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the Company, and
- g) underwriting the subscription of any securities or derivatives thereof of the Company.

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or

arrangement.

- (a) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or on an arm's length basis, and decides to refer the same to the Board for approval;
- (b) The Board of Directors shall review, approve and recommend to the Shareholders for their approval, all Material Related Party Transactions and such transactions as required to be approved by shareholders of the Company in terms of section 188(1) of the Act and listing regulations.
- (c) All Related Party Transactions which are intended to be placed before the shareholders for approval.

In determining whether to approve a Related Party Transaction, the Committee may consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- 1. 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;
- 2. 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;
- 3. Whether the Related Party Transaction would affect the Independence of an Independent Director;
- 4. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- 5. 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; and
- 6. Whether the Related Party Transaction would present an improper 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, Executive Officer or other Related Party, the direct or indirect nature of the Director's, 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.
- 7. the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

6. ADDITIONAL APPROVAL FUNCTIONALITY OF THE AUDIT COMMITTEE

- a. The audit Committee shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;
- b. 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 of the Company if 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;
- c. with effect from April 1, 2023, a related party transaction to which the subsidiary of a company is a party but the company is not a party, shall require prior approval of the Audit Committee of the Company if 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;
- d. prior approval of the audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit Committee of the listed subsidiary shall suffice

- e. remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require

approval of the audit committee provided that the same is not material in terms of the provisions of sub regulation (1) of this regulation.

- f. The members of the audit committee, who are independent directors, may ratify related party transactions within three 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:
- i. 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 one crore; (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
 - ii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
 - iii. 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;
 - iv. any other condition as specified by the audit committee:

Provided that failure 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

- i. All the related party contracts/arrangements shall be entered into at an arms' length basis.
- ii. In case the market price of any transactions/arrangements are not available or cannot be ascertained and could not be executed with outsiders due to secrecy of the nature of products or formula, such transactions shall be done as far as possible to the nearing market price and after citing justification to the Audit Committee for such transaction and necessity.
- iii. All contracts/arrangements shall adhere to the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of the Companies Act, 2013 and rules made thereunder and the Accounting Standards.
- iv. A maximum sum of INR One (1) crore during the financial year has been capped under omnibus approval by the Audit Committee for the transactions of repetitive nature and with the same related party. All such transactions shall be reviewed by the Committee on a quarterly basis. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- v. If any contract or arrangement is entered by a Director or any employee without the consent of the Board or without Special Resolution in General Meeting due to some urgency, it shall be ratified by the Board or General Meeting by means of Special Resolution within 3 months, as the case may be.
- vi. In case the contracts/arrangements with related party are not in the ordinary course of business or at Arm's Length, the Company would comply with the respective provisions of the Companies Act, 2013 and rules made thereunder.
- vii. All the material related party transactions above the threshold limits as mentioned above and material modifications thereto other than exempted wholly owned subsidiary shall require prior approval of shareholders through resolution and no related party shall vote to approve such resolution whether the entity is related party to the particular transaction or not but they can cast negative vote on the resolution.
- viii. All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.
- ix. The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time and publish the same on its website.

Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

This policy is meant to provide a framework to regulate transactions between the Company and its related parties

based on applicable laws and regulations. The Audit Committee and the Board of Directors will review this policy periodically and may amend or modify the Policy accordingly, from time to time.

7. DISCLOSURES

- i. Every contract or arrangement which shall be entered into pursuant to Section 188(1) of the Act shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- ii. Appropriate disclosures shall be made by the Company as legally required in the manner and as per the timelines set out as specified under the Act and the SEBI Listing Regulations.
- iii. The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

8. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in Applicable Laws and/or any other laws, the latter shall prevail.

9. AMENDMENTS

The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any subsequent amendment / modification in the Act or the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy. Any amendment in the applicable provisions of the Act or SEBI Listing Regulations or any other regulations, which are in force, in relation to the related party transactions, which is in contradiction to the clauses stated in the Policy, then such amendment in the applicable laws shall prevail over the applicable clauses as stated in the Policy.

10. COMMUNICATION

The Policy on Related Party Transactions will be displayed on the website of the Company at <https://arjunjewellers.in/>