

GOLKUNDA DIAMONDS & JEWELLERY LTD

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON  
DEALING WITH RELATED PARTY TRANSACTIONS**

**(Operative w.e.f May 16, 2022)**

## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

This policy is formulated in terms of the provisions of Regulation 23(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been approved by the Board of Directors of company on 16<sup>TH</sup> May, 2022

### **Materiality of related party transactions**

Contracts/arrangements/transactions with a related party shall be considered as “material related party transactions if the transactions during a financial year under such contracts/arrangements exceed the threshold limit prescribed by Regulation 23(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR), Regulations, 2015”) and/or the respective provisions of Section 188 of Companies Act, 2013 and Rules thereto, as may be amended from time to time and applicable to the Company.

### **Policy**

All transactions with related parties are subject to the provisions of this policy.

- 1) An entity shall be considered as related to the Company if :
  - (i) such entity is a related party under section 2(76) of the Companies Act, 2013; or
  - (ii) such entity is a related party under the Accounting Standards as may be applicable to the Company; or
  - (iii) such entity is a Related Party as defined under proviso to Regulation 2(zb) of SEBI(LODR), Regulations, 2015.
- 2) All transactions with related parties shall require prior approval of Audit Committee

pursuant to the Regulation 23(2) of SEBI(LODR) Regulations, 2015 and will be on commercial terms on an arm's length basis and comparable with similar transactions with other non-related parties, where possible. However, total value of such related party transaction(s) will not exceed in one fiscal Rs. 1000 Cr. or 10% of the consolidated annual turnover of Company as per its last audited financial statements, whichever is lower or the threshold limit(s) as may be stipulated under the provisions of section 188(1) of Companies Act, 2013 and/or Regulation 23 of SEBI (LODR) Regulations, 2015 or other rules/regulations from time to time and as may be applicable to company, in relation to its related party transaction(s), with requisite approval of Shareholders, wherever required.

- 3) The related party transactions will be approved by only those members in Audit Committee who are Independent Directors and other directors/ related parties will not participate into such discussions.
- 4) All material related party transactions shall require approval of shareholders through Special resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- 5) Audit Committee will monitor transactions with related parties to ensure that it does not exceed overall ceiling as fixed by the members in Annual General Meeting of company from time to time and/or its omnibus approval accorded from time to time for dealing with the related parties and that the transactions are executed on a commercial basis- in the ordinary course of business and on an arm's length basis.
- 6) The omnibus approval for related party transaction(s), if any, accorded by the Audit Committee, shall be valid for one financial year and will require fresh approval after expiry of every financial year and such transaction(s) will be reviewed by the Audit Committee on quarterly basis.
- 7) The Audit Committee while granting omnibus approval for Related Party Transactions (RPTs) shall take following factors into consideration:
  - i) The proposed RPTs should be repetitive in nature and in the overall interest of the Company.

- ii) Name(s) of Related Party, nature of transaction, period of transaction, maximum amount of transaction should be available in proposal.
  - iii) Transaction should be on an arm's length basis and in ordinary course of business.
  - iv) Transactions pricing system should be comparable with other likewise transaction(s) of the Company, wherever possible.
  - v) Other criteria for granting omnibus approval for related party transactions as Audit Committee may deem fit or as may be provided under respective regulations.
- 8) The Company will make disclosure(s) of the Related Party Transactions to Stock Exchanges and in its Board Report suitably and/or as per the applicable rules in terms of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time.

**For Golkunda Diamonds & Jewellery Ltd**

**(Director)**

**(Director)**