



Policy on Dealing with Related Party Transactions

1. Preamble

The Board of Directors (“the Board”) of Anmol India Ltd (“the Company”) has adopted the following Policy for the Related Party Transactions (“RPTs”) pursuant to the provisions of Memorandum and Articles of Association of the Company, Sections 177, 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Rules framed thereunder and the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI LODR) as amended from time to time. The Board has considered the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“RPT”).

2. Purpose

This Policy is framed to ensure the proper identification, approval, monitoring and reporting of transactions between the Company and its Related Parties. Normally the Company enters into transactions with the Related Parties in the normal course of business and on arm’s length basis. However in exceptional cases, if the transactions are either not in the normal course of business or not on arm’s length basis, they can still be entered into by the Company subject to this policy document.

Such transactions are appropriate only if they are in the best interest of the Company and its Shareholders.

3. Applicable Laws

This policy is subject to the provisions of:

the Companies Act, 2013 and the Rules| Regulations made thereunder the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 any other law as may apply from time to time

4. Definitions

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Act and the SEBI LODR.

“**Board of Directors**” means the “Board of Directors” of Anmol India Limited.

“**Company**” means Anmol India Limited.

“**Key Managerial Personnel**” or **KMP** means key managerial personnel as defined under the Act, 2013 and includes:-

Managing Director (MD), or Chief Executive Officer (CEO) or Manager and in their absence, a Whole-Time Director (WTD);

Company Secretary (CS);

Chief Financial Officer (CFO);

such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and Such other officer as may be prescribed.

“**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.

“**Material Related Party Transaction**” means a transaction with a related party if the transaction| transactions to be entered into individually or taken together with previous transactions during a financial



year, exceeds 10 % of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Provided 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 2 % of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Ordinary course of business” would include usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and all such activities which the Company can undertake as per Memorandum & Articles of Association.

“Policy” means policy on materiality of RPTs and also on dealing with RPTs, as amended from time to time.

“Related Party” means a related party as defined under the Act or rules made thereunder and the SEBI LODR as amended from time to time.

“Related Party Transaction” means such transactions as specified under Section 188 of the Act or rules made thereunder and the SEBI LODR including any amendment or modification thereof, as may be applicable.

“Relative” means a relative as defined under the Act and the SEBI LODR.

“Company Secretary (CS)” means a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by the Company to perform the functions of a Company Secretary under the Act.

“Managing Director” means Managing Director as defined in Section 2(54) of the Act.

“Whole-time Director” means Whole-time Director as defined in Section 2(94) of the Act.

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

“Core Committee” means an internal committee of the company executives set up by the Chairman and Managing Director.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

5. Identification of Related Parties

Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide requisite information about all persons, firms, entities in which he is interested whether directly or indirectly, to the Company Secretary.

On the basis of the above referred information received and basis the Act and SEBI LODR consolidated list of related parties shall be prepared.

The potential transactions with the Related Parties, as per the above-mentioned list, shall be identified and a comprehensive proposal shall be submitted with details as per clause 6.2 of this Policy for requisite prior approval.

6. Intimation of transactions with Related Parties

The Directors and the KMP may intimate the Board/ Audit Committee sufficiently in advance about the probable transactions with the Company and the Related Parties concerning them so that the Board/ Audit Committee has sufficient time to review information regarding the proposed transaction.



7. Approval of Audit Committee

All RPT shall require prior approval of the Audit Committee except in the following situations:

Omnibus approval

The Audit Committee may grant an omnibus approval for RPT proposed to be entered into by the Company subject to the following criteria / conditions:

Criteria:

- i) the transactions are repetitive in nature.
- ii) the transactions are with a subsidiary or associate company of the Company.
- iii) Specific need of such such omnibus approval i.e. the transactions are in the best interest of the Company

Such an omnibus approval shall specify (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.

Provided that where RPT cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant an omnibus approval for such transactions subject to their value not exceeding ` 1 crore per transaction.

Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals thereafter.

Transactions with wholly owned subsidiary companies

Prior approval of the Audit Committee will not be required in case of transactions entered into between the Company and its wholly owned subsidiary company whose accounts are consolidated with the accounts of the Company and placed before the Shareholders at the general meeting for approval.

General Principles

The Audit Committee may invoke the following principles/ issues while considering proposals for transactions with Related Parties:

- >> Fairness
- >> Arm's length basis
- >> Compelling business reasons for entering into the transaction
- >> Better alternatives available
- >> Impact on independence of Independent Directors
- >> Likely impact on reputation of the Company
- >> Reason for not seeking prior approval if applicable
- >> Conflict of interest

8. Board's Approval

In addition to the approval of the Audit Committee, the approval of the Board shall be required in respect of RPT that are not in the ordinary course of business or not on arm's length basis.

Transactions which are not approved by the Audit Committee or in the opinion of the Audit Committee need special consideration / determination by the Board, may be recommended to the Board for its approval.

Where it is mandatory under any law for Board to approve the Related Party Transactions.

Related Party Transactions, in which the Directors or the Key Managerial Personnel, are concerned or interested.



Where any director is concerned or interested in any potential Related Party Transaction, such director shall abstain from voting when such transaction is being considered.

9. Shareholders' Approval

The following Related Party Transactions shall be subject to prior approval of shareholders of the company by way of a resolution:

- i) All Material Related Party Transactions;
- ii) Related Party Transactions, which are not in the ordinary course of business or not executed at an arm's length basis, exceeding the threshold limits as may be prescribed under the Companies Act 2013 and the Rules made thereunder. Presently the threshold limits as per the Act are under:
 - a) for contracts or arrangements with respect transactions mentioned in section 188, the threshold limits would be as follows-
 - (i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company or rupees 100 crores, whichever is lower;
 - (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the Company or rupees 100 crores, whichever is lower
 - (iii) leasing of property any kind amounting to 10% or more of the net worth of the Company or 10% or more of turnover of the company or rupees 100 crores, whichever is lower;
 - (iv) availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the company or rupees 50 crores, whichever is lower

Explanation- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

b) for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding 2.5 lakh rupees;

c) for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1% of the net worth;

Explanation- (1) The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.

10. Information to the Audit Committee, Board, Shareholders

While seeking approval from the Audit Committee, the Board or the Shareholders, the following information shall be given:

- >> The name of the related party and nature of relationship
- >> The nature, duration of the contract and particulars of the contract or arrangement
- >> The material terms of the contract or arrangement including the pricing and value, if any
- >> Any advance paid or received for the contract or arrangement, if any
- >> Any other information required to be provided under applicable laws or relevant or important to take a decision on the proposed transaction.



11. Related Party Transactions not Previously Approved

In the event the Company becomes aware of a Transaction with a related party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a RPT that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the Company etc. In connection with any review of a RPT, the Committee has authority to modify or waive any procedural requirements of this Policy.

12. Amendment(s)

The Board of Directors shall review this Policy, as need arises or as may be legally required, after taking into account the recommendations from the Audit Committee. The Board of Directors may also amend the Policy as and when required.

13. Disclosures

Details of all material RPT with related parties shall be disclosed quarterly along with the compliance report on corporate governance at the time of filing the same with the Stock Exchanges.

The Company shall disclose the policy on dealing with RPT on its website and a web link thereto shall be provided in the Annual Report.

Details of transactions with the related parties which are not in the Ordinary Course of Business and/or not at Arm's Length shall be disclosed in the Report of Board of Directors/ Annual Report with proper justification for entering into such transactions.

Details of transactions with related parties shall be disclosed to the Stock Exchanges and also displayed on the website of the Company on half yearly basis.

Details of transactions with any person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more shareholding in the Company, shall be disclosed in the format prescribed by the SEBI in the relevant accounting standards for annual results.

Any other disclosure as may be required as per applicable law shall be made.

14. Limitation

In the event of any conflict between the provisions of this Policy and of the SEBI LODR | the Act or any other statutory enactments, rules, the provisions of the SEBI LODR | the Act or statutory enactments, rules shall prevail over this Policy.