



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

POLICY ON RELATED PARTY TRANSACTION

1. Preamble:

The Board of Directors (the “Board”) of **Mini Diamonds (India) Limited** (the “Company”), have adopted the following policy and procedures with regard to the Related Party Transactions in line with the requirements of Section 188 of the Companies Act, 2013 read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (“SEBI LODR”).

This policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable on the Company. The Board as per the recommendation of Audit Committee may review and amend this policy from time to time.

2. Objective:

The objective of this policy is to ensure proper approval, disclosure and reporting of the Transactions as applicable, between the Company and any of its related parties in the interest of the Company and its stakeholders.

3. Definitions:

“**Act**” means the Companies Act, 2013 including the rules thereunder and any amendment(s) or modification(s) or re-enactment(s) thereof from time to time.

“**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

“**Associate**” means any entity as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements” and by Accounting Standard (AS) 18, “Related party disclosures”.

“**Audit Committee or Committee**” means the Committee of the Board formed under Section 177 of the Act and Regulations 18 of SEBI Listing Regulations 2015.

“**Board**” means the Board of Directors of the Company.

“**The Company**” means Mini Diamonds (India) Limited.



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

“Control” shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders’ agreements or voting agreements or in any other manner as per sub-section 27 of Section 2 of the Act.

“Key Managerial Personnel” shall mean the officers of the Company as defined in Section 2(51) of the Act.

“Policy” means Related Party Transaction Policy.

“Material Related Party Transaction” means a transaction with a related party where the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds rupees one thousand 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 or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI LODR, as amended from time to time.

In case of 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 the financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Material Modification” shall means in relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modifications means any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 25% of transactions value, in each case, over and above the approved limits or such other limits as may be decided by the Audit Committee from time to time.

“Materiality Threshold” means limits for Material Related Party Transactions beyond which the Shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

“Related Party” means a related party as defined under sub-section 76 of Section 2 of the Companies Act, 2013; or under the applicable accounting standards and Regulation 2(zb) of the SEBI LODR including modifications or amendments made thereto.

“Relative” means any person as defined under Section 2 (77) of the Act and rules prescribed thereunder.



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

“Related Party Transaction(s)” shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1)(zc) of the SEBI LODR including any modifications or amendments made thereto.

“Subsidiary” means a Company as defined under section 2(87) of the Companies Act, 2013.

“Transactions in ordinary course of business” shall mean and include-

- Transactions that are entered in the normal and usual course of business and are identical to the business of the company.
- Transactions that is reasonable in the context of the business of the company.
- Transactions that are part of the standard industry practice.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

4. Identification of Related Party:

Each director and Key Managerial Personal is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “Related Party” by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

5. Review and approval of Related Party transactions:

Audit Committee

All Related Party Transactions and subsequent material modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation or through electronic mode provided that only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions. 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 ordinary course of business and on Arm’s length basis, subject to compliance of the conditions contained in the Companies Act, 2013 as well as SEBI LODR. Any member of the committee who has a potential interest in any related party transaction shall abstain from discussion and voting on the approval of the related party transaction. To review a related party transaction, the committee shall be provided with



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

the necessary information to the extent relevant, with respect to actual or potential related party transaction and / or prescribed under the Companies Act, 2013 and rules thereunder.

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 standalone turnover, as per the last audited financial statements of the subsidiary.

Exception:

Prior approval of the Audit Committee of the Company shall not be required for:

1. 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 Listing Regulations are applicable to such listed subsidiary.
2. Remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, provided that the same is not material as defined in this policy or under Regulation 23 of SEBI LODR including modifications or amendments made thereto.

Post-Facto Ratification of Related Party Transactions:

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 1 (one) crore;
- ii. the transaction is not material as defined in this policy
- iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification
- iv. the details of ratification shall be disclosed along with the disclosures of Related Party Transactions to be made to the stock exchanges in the format as specified by the SEBI LODR from time to time and published on the Company's website
- v. any other condition as specified by the Audit Committee.



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

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 Company against any loss incurred by it.

Board of Directors

As per the provisions of Section 188 of the Act, all Related Party Transactions specified under the said section and which are not in the ordinary course of business or are not at arm's length are required to be placed before the Board for its approval.

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.

Shareholder

All the material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders and no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

Prior approval of the shareholders 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 Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.

In addition to the above, all transactions specified under Section 188 of the Act as mentioned below require approval of Shareholders:

- Transactions which are not in the ordinary course of business or not at arm's length basis; and
- Transactions which exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time).

The approval of Audit Committee, Board of Directors and Shareholders of the Company for following Related Party Transactions shall not be required:

- For transactions entered into between the holding company of the 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;
- Transactions entered into between two wholly-owned subsidiaries of the listed holding Company, whose accounts are consolidated with such holding company and placed before the shareholders of such holding company at the general meeting for approval; and



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

- Transactions which are in the nature of payment of statutory dues, statutory fees, or statutory charges entered into between an entity on one hand and the Central government or any State government or any combination thereof on the other hand.

6. Omnibus approval by the Audit Committee:

All Related Party Transactions shall require prior approval of the Audit Committee as provided by the Companies Act, 2013, and Rules made thereunder, Secretarial Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company or its subsidiary, as per the following terms of reference approved by the Board:

The Audit Committee shall consider the following factors while specifying the criteria for granting omnibus approval:

- Repetitiveness/ frequency of the transaction;
- Justification for the need of Omnibus Approval.
- The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company.
- The omnibus approval shall specify:
 - the name(s) of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - the indicative base price / current contracted price and the formula for variation in the price, if any; and
 - such other conditions as the Audit Committee may deem fit.
- Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the listed entity pursuant to each of the omnibus approvals given.
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- Omnibus approval shall not be made for transactions in respect of selling or disposing off the undertaking of the Company.



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

7. Criteria for approval of a Related Party Transaction by the Board / Audit Committee:

7.1 To review a Related Party Transaction, the Board / Audit Committee shall provide with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

The information provided shall specifically cover the following:

- i. the name of the related party and nature of relationship;
- ii. the nature, duration of the contract and particulars of the contract or arrangement;
- iii. the material terms of the contract or arrangement including the value, if any;
- iv. any advance paid or received for the contract or arrangement, if any;
- v. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- vi. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
- vii. the persons/authority approving the transaction; and
- viii. any other information relevant or important for the Committee to take a decision on the proposed transaction.

7.2 In determining whether to approve a Related Party Transaction, the Board/ Audit Committee shall consider the following factors, amongst others, to the extent relevant to the Related Party Transaction:

- i. Whether the transaction is in the ordinary course of business of the company.
- ii. 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;
- iii. Whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- iv. Whether the Related Party Transaction would affect the independence of the directors/KMP;
- v. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

8. Disclosures:

Appropriate disclosures as required under the Act and the Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

9. Ratification:

- 9.1 Any Related Party Transaction entered into without obtaining the prior approval of the Audit/ Board/ Shareholders (respective authority/ies) may be ratified, subject to the applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015, if post review of the said transaction/ contract, the appropriate authority is satisfied, that the said Related Party Transaction is not detrimental to the interest of the Company, however, the appropriate authority may also ratify such transaction or contracts, with or without the modification(s).
- 9.2 Where any contract or arrangement is entered into, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders.
- 9.3 If the appropriate authority decides, not to approve a particular transaction, it may require the Related Party to reimburse the benefits which might have accrued to it and/ or indemnify the Company with regard to the subject Related Party Transaction which is not approved by the appropriate authority.
- 9.4 However, the Related Party transaction which are entered into without the approval of the appropriate authority and subsequently not ratified by the appropriate authority, the applicable provisions of the Companies Act, 2013 and Listing Regulations 2015, shall apply.

10. Amendments to the Policy:

- 10.1 The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

10.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

This Policy will be communicated to all operational employees and other concerned persons of the Company and shall be placed on the website of the company.

This policy has been reviewed and amended by the Board of Directors of the Company at its meeting held on February 13, 2025.