



JAYKAY ENTERPRISES LIMITED RELATED PARTY TRANSACTION POLICY

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Approver	Board of Directors
Custodian	Company Secretary and Chief Financial Officer
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JAYKAY ENTERPRISES LIMITED
RELATED PARTY TRANSACTION POLICY

1. PREAMBLE

- 1.1.** Jaykay Enterprises Limited (“**JKE**” or the “**Company**”) recognizes that while transacting with Related Parties (*as defined below*):
- a) appropriate approvals, as required under Applicable Laws (*as defined below*), should be duly obtained;
 - b) transactions between the Company, its subsidiaries and their Related Parties are to be based on principles of transparency and arm’s length pricing; and
 - c) reporting and disclosures, as required under Applicable Laws, should be duly made and adhered to, by the persons associated with the Related Party Transactions (*as defined below*).
- 1.2.** The Board (*as defined below*) of JKE has adopted this policy governing Related Party Transactions (this “**Policy**”) in compliance with the requirements of Section 188 and Section 177 of the Companies Act (*as defined below*), the SEBI Listing Regulations (*as defined below*), and other Applicable Laws, through which it aims to provide guidance on identification of Related Party(ies), the standards for initiation of Related Party Transactions, assessment and consummation of Related Party Transactions and to communicate such transactions to everyone involved in JKE’s business to ensure transparency and fairness throughout the entire process of undertaking Related Party Transactions and to comply with requirements of all Applicable Laws for all Related Party Transactions.

This Policy was reviewed by the Audit Committee in its meeting held on February 06, 2024 and revised by the Board in its meeting on February 06, 2024.

2. PURPOSE OF THIS POLICY:

To comply with the requirements of the Companies Act and SEBI Listing Regulations and in line with the best in class governance practices, the Company has formulated this Policy on Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.

3. DEFINITIONS AND INTERPRETATION

“**Accounting Standards**” shall mean the applicable standards of accounting, including the Indian Accounting Standards or IndAS, or any addendum thereto, applicable to the Company in accordance with the Companies Act and as issued by the Institute of Chartered Accountant of India.

“**Annual Report**” shall mean the annual report of JKE.

“**Applicable Laws**” shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by any governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company and its subsidiaries, with respect to Related Party Transactions, and as amended from time to time and includes (a) the Companies Act; (b) the SEBI Listing Regulations ; and (c) the Accounting Standards.

“**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. For determination of an Arm’s Length Transaction, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

“Audit Committee” shall mean the Audit Committee constituted by the Board of Directors of the Company from time to time, in accordance with the provisions of the Companies Act and the SEBI Listing Regulations.

“Board of Directors” or **“Board”** shall mean the board of directors of JKE constituted from time to time, in accordance with the provisions of the Companies Act and the SEBI Listing Regulations.

“Companies Act” means the Companies Act, 2013, along with rules, notifications and circulars made/ issued thereunder, as amended from time to time.

“Company” or **“JKE”** shall mean Jaykay Enterprises Limited.

“Company Secretary” shall have the same meaning assigned to the term under the Companies Act.

“Director” shall mean a director on the Board.

“Key Managerial Personnel” or **“KMP”** shall have the same meaning as defined in the Companies Act.

“Material Modification” shall mean any subsequent change to an existing RPT (which was approved by the Audit Committee/ Board of Directors/JKE Shareholders, as the case may be), having increase of 10% (Ten percent) or more.

“JKE Related Party” or **“Related Party”** means related party as defined in section 2(76) of the Companies Act and SEBI Listing Regulations.

“JKE Shareholders” shall mean the shareholders of JKE, whether individuals, entities, or financial institutions.

“Ordinary course of business” means transactions:

- undertaken by the Company/its subsidiaries to conduct its business operations and activities and includes all such activities which the Company/its subsidiaries can undertake as per their respective Memorandum & Articles of Association, as amended from time to time, or
- in connection with the normal business carried on by the Company, or
- which are as per common commercial practice, or
- which meets any other parameters/criteria as decided by the Board/Audit Committee.

“Relative” in relation to a related party shall have the same meaning assigned to the term in Section 2(77) of the Companies Act.

“Related Party Transactions” or **“RPTs”** shall have the same meaning assigned to the term under the Companies Act and the SEBI Listing Regulations, as may be applicable.

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

Unless the context of this Policy otherwise requires, words of any gender are deemed to include those of the other gender.

Capitalized terms used and not defined herein shall have the same meaning assigned to such terms under the Companies Act, the SEBI Listing Regulations, and / or other Applicable Laws.

In order to determine the Related Party Transactions for which approval of JKE Shareholders by way of a resolution would be required, the test of materiality shall be determined having regard to the relevant provisions of the SEBI Listing Regulations or the Companies Act, as applicable.

4. POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Audit Committee in accordance with this Policy.

5. WHO MAY INITIATE A PROPOSED RELATED PARTY TRANSACTION

The Company and/or its subsidiaries on the one hand may initiate and conclude a proposed Related Party Transaction with any of their Related Parties on the other hand, subject to compliance with this Policy and Applicable Laws.

6. WHICH TRANSACTIONS ARE COVERED

This Policy applies to all Related Party Transactions, or subsequent modifications thereto. Following exceptions stipulated under Applicable Laws for Related Party Transactions shall be outside the scope of this Policy unless the Audit Committee or the Board decides otherwise:

- (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 by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. sub-division or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.

7. REQUIRED APPROVALS AND ACTION STEPS

7.1. Approval of the Audit Committee

- a) All transactions which are identified as Related Party Transactions shall be approved by the Audit Committee in accordance with the requirements of the Companies Act and the SEBI Listing Regulations, as may be applicable.
- b) Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.
- c) Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.
- d) To review a Related Party Transaction, the Audit Committee will be provided 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. In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and/or its subsidiaries (as applicable) would apply on the same basis if the transaction did not involve a Related Party;
 - Whether there are any compelling business reasons for the Company and/or its subsidiaries (as applicable) to enter into the Related Party Transaction and the nature of alternative transactions, if any;
 - Whether the Related Party Transaction would affect the independence of an independent director;
 - Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - 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
 - 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, Key Managerial Personnel 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/Audit Committee deems relevant.
- e) Material Modifications to Related Party Transactions shall require prior approval of the Audit Committee. Any other modification to the transactions entered into by the Company with a Related Party shall also require the approval of the Audit Committee (notwithstanding that such modification is a Material Modification).
- f) Prior approval of Audit Committee shall not be required for Related Party Transactions to which subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year does not exceed 10% of the annual standalone turnover of such subsidiary company as per the last audited financial statements of such subsidiary.

7.2 Approval of the Board of Directors

- a) As per the provisions of Section 188 of the Companies Act, in case any Related Party Transaction is proposed to be undertaken which is not:
- (i) in the ordinary course of business; or
 - (ii) an Arm's Length Transaction,
- such Related Party Transaction shall not be entered into without the prior approval of the Board of Directors.
- b) Where any Director is interested in the Related Party Transaction being considered for approval at the Board meeting, such Director shall not be present during discussions pertaining to such transaction.

7.3 Approval of the JKE Shareholders

- a) In case any Related Party Transaction (as per the applicable provisions of the Companies Act) is proposed to be undertaken which (i) is not in the ordinary course of business, or not at arm's length; and (ii) exceeds the specified threshold for such Related Party Transaction as per the applicable provisions of the Companies Act, prior approval of the JKE Shareholders by way of a resolution shall be required.

- b) In case any Related Party Transaction (as defined under the SEBI Listing Regulations) proposed to be undertaken exceeds INR 1,000 crore (Indian Rupees One Thousand Crore) or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, whether entered into individually or taken together with previous transactions during the financial year, such transaction shall be considered material and require the prior approval of the JKE Shareholders by way of a resolution.
- c) Further, prior approval of the JKE Shareholders shall be required for any subsequent Material Modifications to any such material Related Party Transaction specified in the preceding paragraph. Further, prior approval of the JKE Shareholders shall be required for transactions involving payments made to a Related Party with respect to brand usage or royalty, if such transactions whether entered into individually or taken together with previous transactions during the financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Provided that for the related party transactions in (a) above, no JKE Shareholder shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such JKE Shareholder is a Related Party;

Provided that for the related party transactions in (b) and (c) above, no JKE Shareholder, who is a Related Party, shall vote to approve such resolution, whether such JKE Shareholder is a Related Party to such Related Party Transaction or not.

- 7.4** All Related Parties entering into Related Party Transactions after obtaining approval of the Audit Committee or the Board or the JKE Shareholders in accordance with this Clause 7, shall ensure due compliance with the terms and conditions prescribed by the Audit Committee or the Board or the JKE Shareholders (as the case may be) in relation to such Related Party Transaction, if any.

7.5 External certification

The Audit Committee/Board may ask for opinion of management or external consultant before it approves any transaction with the Related Party.

7.6 Exemptions

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or JKE Shareholders, as may be applicable:

- i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the JKE Shareholders at the Company's general meeting for approval.
- ii. Transactions entered into between two wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the JKE Shareholders at the Company's general meeting for approval.

8 DISCLOSURE REQUIREMENTS

The Company shall comply with all disclosure requirements in relation to Related Party Transactions, including but not limited to, disclosures required to be made in the Board Report and the Annual Report, disclosures required to be made to the stock exchanges and published on the website of the Company as per the requirements of the Companies Act, the SEBI Listing Regulations, Accounting Standards and other Applicable Laws.

9 OMNIBUS APPROVAL

- 9.1. All Related Party Transactions and subsequent Material Modifications to same shall require prior approval of the Audit Committee except such Related Party Transactions which are exempt from such approval requirement. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of Related Party Transactions which are repetitive in nature. Such criteria shall include:
 - i. maximum value of the Related Party Transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. the maximum value per Related Party Transaction which can be allowed;
 - iii. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv. review, at such intervals as the Audit Committee may deem fit, of Related Party Transactions entered by the Company pursuant to each of the omnibus approval made; and
 - v. transactions which cannot be subject to the omnibus approval by the Audit Committee.
 - b. The Audit Committee shall satisfy itself the justification for the need of such omnibus approval and that such approval is in the interest of the Company;
 - c. The omnibus approval, in relation to Related Party Transactions undertaken as per the Companies Act and the SEBI Listing Regulations, shall contain or indicate, *inter alia*, the following:
 - (i) name of the Related Party(ies);
 - (ii) nature and duration of the Related Party Transaction;
 - (iii) maximum amount of Related Party Transaction that can be entered into
 - (iv) the indicative base price or current contracted price and the formula for variation in the price, if any;
 - (v) the percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided); and

- (vi) any other information relevant or important for the Audit Committee to take a decision on the proposed Related Party Transaction or any other information prescribed under Applicable Law from time to time.

- 9.2. Where the need for certain Related Party Transactions cannot be foreseen and the details required as per this Clause 9 are not available, the Audit Committee may provide an omnibus approval for such Related Party Transactions subject to their value not exceeding INR1 crore (Indian Rupees One Crore) per Related Party Transaction.
- 9.3. The Audit Committee shall review, on a quarterly basis, the details of the Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given, in accordance with this Clause 9.
- 9.4. Omnibus approvals given by the Audit Committee in accordance with this Clause 9 shall be valid till the expiry of 1 (one) year and shall require a fresh approval after the expiry of 1 (one) year.

It is clarified that the omnibus approval for material Related Party Transactions obtained from the shareholders at (i) the annual general meeting shall be valid upto the date of the next annual general meeting for a period not exceeding 15 (fifteen) months; and (ii) general meetings other than the annual general meeting shall be valid only for one year.

10. RATIFICATION OF RELATED PARTY TRANSACTIONS

- 10.1 In the event the Company becomes aware of a transaction with a Related Party or a subsequent modification that has not been approved in accordance with this Policy prior to its consummation, the matter shall, subject to Applicable Law, be reviewed and approved by the Audit Committee or the Board or the JKE Shareholders, as applicable. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of such Related Party Transaction as may be permitted under Applicable Law. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.
- 10.2 In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been consummated without approval, the Audit Committee, as appropriate, may also direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction or modification of the transaction to make it acceptable for ratification if permitted under Applicable Laws or seeking the approval of the shareholders or payment of compensation for the loss suffered by the Related Party etc. In connection with any review/approval of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy, subject to Applicable Laws. It shall be open to the Company to proceed against its director or any other employee who had entered into such Related Party Transaction in contravention with Applicable Laws and/or this Policy.
- 10.3 Further, if any contract / arrangement falling under Section 188(1) of the Companies Act is entered into by a director or any other employee without obtaining the consent of the Board / shareholders (by a resolution), and if it is not ratified in accordance with Companies Act, such contract / arrangement shall be voidable at the option of the Board / shareholders, as the case may be. Further, nothing precludes the Board / Company from taking any other legal action against the concerned director / employee, as available under Applicable Law.

11. AMENDMENT AND CONFLICT

Any subsequent amendment/modification in the Applicable Laws shall automatically apply to this Policy. The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever subject to the Applicable Law.

In the event of conflict between this Policy and any Applicable Laws, Applicable Laws shall prevail. Further, in case of any point(s)/matter(s) not specifically covered/provided to under this Policy, the same shall be adhered to/complied with in line with the requirement of Applicable Law.

12. REVIEW OF THE POLICY

The Board of Directors, on the recommendation of the Audit Committee, shall review this Policy once in three years and may amend the same from time to time.

13. COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Company Secretary who shall have the right to ask for any information or clarifications from management in this regard.

14. QUERIES AND CLARIFICATIONS

Any Related Party may reach out to the Company Secretary for any doubts or clarifications in respect of this Policy.