J.K.SHAH COMMERCE EDUCATION LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Applicability

The Company has formulated a Policy on **Materiality of Related Party Transactions and on Dealing with Related Party Transactions** (the "**Policy**").

The Policy is formulated to regulate Related Party Transactions in accordance with applicable laws, rules and regulations, as amended from time to time. In the event of any conflict between this Policy and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law, the provisions of such applicable law shall prevail. Any subsequent amendment/ modification to the Applicable Law shall automatically apply to this Policy.

2. Purpose

The Policy is framed in accordance with Regulation 23 of the SEBI Listing Regulations, as amended from time to time and intended to ensure the proper reporting, approval and disclosure of the Related Party Transactions.

This Policy shall supplement Company's other policies & practices/ delegation of authorities / manual of authorities etc, which require approval of the contracts or arrangement in specified manner and by specified authority. If there exists more than one set of requirements due to application of multiple laws and regulations, the endeavor must be based on the compliance principle, which would meet the higher governance standards.

3. Definitions

i. **"Arm's Length Transaction"** shall be as defined in explanation (b) to Section 188 (1) of the Companies Act, 2013.

ii. **"Associate Company"** shall be as defined in Section 2(6) of the Companies Act, 2013.

iii. **"Audit Committee"** means Audit Committee constituted by the Board of Directors of the Company under the provisions of SEBI Listing Regulations, and Companies Act, as may be amended from time to time.

iv. **"Board of Directors"** means the Board of Directors of J.K.Shah Commerce Education Limited.

v. **"Companies Act, 2013"** means the Companies Act, 2013 as amended from time to time.

vi. **"Key Managerial Personnel"** shall be as defined in Section 2(51) of the Companies Act, 2013.

vii. **"Material Modifications"** means any modification to the existing Related Party Transaction which has the effect of increasing or decreasing the value of original contract by 25% or more.

viii. **"Material Related Party Transaction"** shall be a transaction with a related party as specified under Regulation 23 of SEBI Listing Regulations and as amended from time to time. Accordingly, transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Regulation 23(1) threshold under SEBI Listing Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ix. **"Office or Place of Profit"** shall be as defined in explanation (a) to Section 188(1) of the Companies Act.

x. **"Ordinary Course of Business"** includes but not limited to a term for activities that are necessary, normal, and incidental to the business. These are common practices and customs of commercial transactions. In law, the ordinary course of business covers the usual transactions, customs and practices of a certain business and of a certain firm. Indicative factors for determining term ordinary course of business:

a) is normal or otherwise remarkable for your particular business (i.e. features in your system, processes, advertising, staff training, etc.);
b) is frequent and regular;
c) involves significant amounts of money;
d) is a source of income for your business;
e) involves significant allocation of resources; and
f) is involved in a service or product that is offered to customers.

xi. **"Related Party"** means a related party as defined under Section 2(76) of the Companies Act, or under the applicable accounting standards or under Regulation 2(1)(zb) of SEBI Listing Regulations, as amended from time to time.

xii. **"Related Party Transaction"** shall be as per Regulation 2(1)(zc) of SEBI Listing Regulations.

xiii. "**Relative**" shall be as defined in Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 .

xiv. **"SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amended from time to time.

xv. **"Subsidiary Company"** shall be as defined in Section 2(87) of the Companies Act.

xvi. **"Transaction"** with a related party shall be construed to include a single transaction or a group of transactions.

All terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and SEBI Listing Regulations, as amended from time to time.

4. Approval and Review of Related Party Transaction

All Related Party Transactions and material modifications shall require prior approval of the Audit Committee in accordance with this Policy. All other modifications shall also require approval of the Audit Committee. Further, only those members of the Audit Committee, who are independent directors, shall approve related party transactions under Regulation 23 of SEBI Listing Regulations.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Audit Committee may ratify the transactions in accordance with this Policy, the Companies Act or SEBI Listing Regulations.

Respective Heads of Departments / Regional Heads / Key Managerial Personnel shall be responsible for placing agenda for approval (including review wherever required) before the Audit Committee

and/or Board of Directors in respect of all Related Party Transaction(s) requiring approvals (including omnibus approval or ratification) in accordance with the clauses of this Policy.

4.1 Approval of the Audit Committee- Mechanism

4.1.1 Details to be provided to Audit Committee

The Company shall provide all relevant information on the RPT, including but not restricted to those prescribed under the Companies Act, Listing Regulations, including the information pursuant to the RPT Industry Standards and circulars issued by SEBI from time to time, before the Audit Committee and Shareholders, as applicable, to have full clarity and arrive at an informed decision.

4.1.2 Omnibus Approval and Criteria thereof

(I) The Audit Committee shall, after obtaining approval of the Board of Directors lay down the criteria while granting omnibus approval and such approval shall be applicable in respect of transactions which are repetitive in nature, which include the following namely:

a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
b) the maximum value per transaction which can be allowed;
c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
d) review of Related Party Transactions, at such intervals as the Audit Committee may deem fit, entered into by the company pursuant to each of the omnibus approval made; and
e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -

(a) repetitiveness of the transactions (in past or in future); and
(b) justification for the need of omnibus approval.

(II) Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions, namely-

(a) 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;
(b) the transaction is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of the SEBI Listing Regulations;
(c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
(d) 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 Regulation 23 of the SEBI Listing Regulations;
(e) 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.

(f) the Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

(g) the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(h) the omnibus approval shall specify:

(i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 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.

(i) the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals given.

(j) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:

(k) The Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

4.1.3 Consideration by the Audit Committee

While approving, the Audit Committee may, inter-alia, consider the following factors:

a. all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party;
b. whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis, at the time of entering into the transaction;
c. business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
d. whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or KMP of the Company; and
e. any other matter the Audit Committee deems relevant.

Where proposal for any Related Party Transactions is placed but not approved by the Audit Committee, reasons for such should be recorded.

4.1.4 Review by the Audit Committee

The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis. The onus to place such agenda shall be on the department/regional office who has initiated the agenda at the time of original approval.

4.2 Approval of the Board and Shareholders – Mechanism

4.2.1 Under the Companies Act

In case of specified Related Party Transaction(s) as per section 188(1) of the Companies Act read with applicable rules under the Companies Act as amended and as mentioned in the table below, prior approval of Board of Directors and/or Shareholders is required as per the following:

a. **Prior approval of the Board of Directors at a meeting -** Transactions which are not in ordinary course of business or not on arm's length basis.

   Further, where any Director is interested in any Related arty Transaction, such Director will abstain from discussion and voting on the resolution relating to such transaction.

b. **Prior approval of the Shareholders, by way of resolution** - Transactions which are not in ordinary course of business or not on arm's length basis and beyond the threshold limits specified in the Act.

4.2.2 Under SEBI LISTING REGULATIONS.

In accordance with Regulation 23 of the SEBI Listing Regulations all Materi**l** Related Party Transactions and material modifications thereof require the prior approval of the shareholders, by way of resolution. However, the same shall be put up to the Board of Directors for its approval at its meeting before the approval of shareholders.

4.2.3 Voting

No Related Party shall vote to approve on such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

4.2.4 Details to be provided to the Board and Shareholders

- The information provided to the Audit Committee shall also be provided to the Board of Directors for approval of Related Party Transaction(s).
- The details required under the Companies Act, Listing Regulations, including the information pursuant to the RPT Industry Standards and circulars issued by SEBI from time to time and other information considered desirable or necessary by the Board of Directors.

5. Exemptions under the Companies Act and under SEBI Listing Regulations and other exemptions:

a) Subject to the extant provisions, the following exemptions shall be applicable under the Companies Act and the SEBI Listing Regulations:

Particulars	Exemption
The requirement of approval of the Audit Committee as per the Companies Act	• For a transaction, other than a transaction referred to in Section 188 of the Companies Act, between a holding company and its wholly owned subsidiary company.

The requirement of approval of the Audit Committee as per the SEBI Listing Regulations	• 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, provided that the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of the SEBI Listing Regulations.
The requirement of the Board of Directors' approval	• If the transactions are at arms' length and in the ordinary course of business.
The requirement of passing the resolution by the shareholders as per the Companies Act	• For transactions entered into between a holding 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. • To a government company in respect of contracts or arrangements entered into by it with any other government company.
The requirement of approval of the Audit Committee and the Shareholders for Related Party Transactions requiring approval under the SEBI Listing Regulations	• For transactions entered into between a holding 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. • To a public sector company in respect of contracts or arrangements entered into by it with any other public sector company. • 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. • 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. • 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 at the general meeting for approval. • In cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary.

b) Other Exemptions – The following Related Party Transactions are deemed to be approved by the Audit Committee and no separate approval shall be required:

(i) 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, provided that the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of the SEBI Listing Regulations.
(ii) Transactions that require approval by the Board of Directors under any specific provisions of the Companies Act e.g. inter-corporate deposits, borrowings, investments etc. with its Related Parties;
(iii) Loans and advances to Directors / KMPs as a part of conditions of services extended by the Company to all its employees.
(iv) If the transactions are through open & transparent competitive bidding process.
(v) Payment or receipt of Dividend, interest and any other returns related to approval accorded for making any investment / loans etc.
(vi) Payments of statutory contributions to various employees' post-employment benefits trusts/schemes.
(vii) Deputation/secondment of employees in group companies.
(viii) Transactions in the nature of reimbursements from/to group companies at actuals.
(ix) Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Companies Act, or the SEBI Listing Regulations.

6. Ratification of Related Party Transactions

(a) Subject to the provisions of the Companies Act, SEBI Listing Regulations and other applicable laws, in the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee.

The members of the Audit Committee, who are independent directors, may ratify Related Party Transactions within 3 (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 Rs. 1,00,00,000 (Rupees one crore);
ii. the transaction is not material in terms of the provisions of sub-regulation (1) of the Regulation 23 of the SEBI Listing Regulations;
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 in terms of the provisions of sub-regulation (9) of the Regulation 23 of the SEBI Listing Regulations;
v. 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.

(b) Pursuant to Section 177 of the Companies Act, in case any transaction involving any amount not exceeding Rs. 1,00,00,000 (Rupees one crore) is entered into by a Director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within 3 (three) months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the Related Party to any Director or is authorized by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.

(c) Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board of Directors or approval by a resolution in the general meeting and if it is not ratified by the Board of Directors or, as the case may be, by the shareholders at a meeting within 3 (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 of Directors or, as the case may be, of the shareholders and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

(d) In any case where either the Audit Committee/ Board/ Shareholders determines not to ratify a Related Party Transaction that has been commenced without approval, may direct additional actions including, but not limited to, seeking fresh approvals, discontinuation of the transactions, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee/ Board/ Shareholders has authority to modify or waive any procedural requirements of this Policy in the best interest of the Company.

7. Disclosures

a) Every contract or arrangement entered with Related Parties with the approval of Board of Directors/ Shareholders in line with Section 188 of the Companies Act shall be referred in the Board of Directors' report to the shareholders along with the justification for entering into such contract or arrangements.
b) The Company shall disclose the policy on its website and a web link thereto shall be provided in the Annual Report.
c) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large in the Corporate Governance Report.
d) Disclosures in the financial statements as required under Ind AS 24.
e) The Company shall keep registers giving separately the particulars of all contracts or arrangements with any related party as required under the Companies Act.
f) The Company shall in every 6 (six) months on the date of publication of its standalone and consolidated financial results submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time and publish the same on its website.

8. Disclaimer

In case of any discrepancy between this Policy, the Companies Act and SEBI Listing Regulations or any rule or regulations made thereunder or under any other applicable statutory enactment of law, the enacted law/ rule/ regulation/ provision shall prevail over this Policy. Any subsequent amendment/ modification in the SEBI Listing Regulations, the Companies Act and/ or applicable law in this regard shall automatically apply to this Policy.

9. Review of the Policy

The Policy shall be reviewed by the Board of Directors at least once in every 3 (three) years, or at a frequency as may be prescribed under the applicable regulations or best practices and updated accordingly. However, any amendment to the Policy shall require approval of the Board of Directors. to amend the policy in line with the statutory enactments/ amendments thereof etc., from time to time.

10. Effective Date

This Policy shall be effective from October 5, 2026, being the date of its approval by the Board of Directors.