

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

Formulated pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015

1. Objective

This Policy establishes the framework for identification, review, approval, and disclosure of Related Party Transactions ("RPTs") entered into by Shinzo Group Limited. The Company is committed to ensuring that all RPTs are conducted in its best interest, on an arm's length basis, and in compliance with applicable law.

2. Definitions

"Related Party" shall have the meaning ascribed to it under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI LODR, and includes promoters, directors, KMPs, and their relatives, as well as entities in which such persons have significant influence.

"Material RPT" means any transaction with a related party individually or taken together with previous transactions during a financial year, exceeding Rupees 1,000 Crore or 10% of the annual consolidated turnover of the Company, whichever is lower.

3. Approval Framework

3.1 Audit Committee Approval

All RPTs shall require prior approval of the Audit Committee, which shall evaluate whether the transaction is in the best interests of the Company and its minority shareholders. The Audit Committee may grant omnibus approval for RPTs subject to the limits and conditions prescribed under applicable law.

3.2 Board and Shareholder Approval

All Material RPTs shall require prior approval of the Board of Directors. Transactions that meet the materiality threshold under Regulation 23(4) of SEBI LODR shall require prior approval of shareholders through ordinary resolution, with related parties abstaining from voting.

4. Arm's Length Determination

The Audit Committee shall satisfy itself that the terms of the proposed RPT are comparable to transactions entered into with unrelated third parties in similar circumstances. Relevant factors include pricing, payment terms, duration, security, and other commercial terms.

5. Exemptions

The following RPTs shall be exempt from the approval requirement:

Transactions between a holding company and its wholly owned subsidiaries whose accounts are consolidated with the Company

Transactions falling below the threshold prescribed under the Companies Act, 2013 and not involving KMPs or their relatives in transactions with the Company

6. Disclosure

All RPTs shall be disclosed in the annual financial statements as required under Accounting Standards. The Company shall also disclose on its website and in the Annual Report all Material RPTs, as required under SEBI LODR.

7. Review

This Policy shall be reviewed by the Audit Committee and the Board annually. It shall be published on the Company's website and shall be updated to reflect any changes in applicable law.