

# Kosha

Fine Jewels Ltd.

(Formerly known as Kosha Fine Jewels Pvt. Ltd.)

## VENDOR SELECTION POLICY

### POLICY STATEMENT

This Vendor Identification & Selection Policy ("Policy") has been reviewed and approved by the Board of Directors of the Company and shall be binding on all departments and employees involved in procurement, vendor engagement, and vendor management activities.

The Policy establishes a formal, transparent, and systematic framework for identification, evaluation, selection, and monitoring of vendors, with the objective of safeguarding the Company's operational, financial, and reputational interests while fostering reliable, ethical, and long-term vendor relationships. Considering the nature of the Company's business in diamond and jewellery manufacturing, where quality, material integrity, trust, and ethical conduct are critical, this Policy aims to ensure that vendor engagement is carried out with due diligence, accountability, and consistency.

### PURPOSE AND SCOPE

The purpose of this Policy is to define a structured approach for selecting vendors who supply goods, materials, and services essential to the Company's manufacturing and business operations.

This Policy applies to all departments, business units, and personnel involved in procurement or vendor-related decisions and ensures that vendor selection aligns with the Company's strategic objectives, internal controls, compliance requirements, and risk management practices.

The Company is committed to developing collaborative and dependable relationships with vendors to ensure continuity of supply, consistent quality, cost transparency, and operational efficiency.

### OBJECTIVES

The key objectives of this Policy are to:

- Ensure selection of vendors offering the best overall value, considering quality, reliability, cost, and risk
- Establish a fair, transparent, and documented vendor selection process
- Promote long-term and mutually beneficial relationships with competent and ethical vendors
- Ensure compliance with applicable laws, regulatory requirements, and internal governance standards
- Mitigate risks relating to quality, delivery delays, financial instability, non-compliance, and reputational exposure

### GENERAL PRINCIPLES

All vendor selection and engagement activities shall be governed by the following principles:

- **Fairness and Impartiality:** Vendors shall be evaluated using uniform and pre-defined criteria
- **Transparency:** Selection rationale and approvals shall be properly documented and auditable
- **Competitive Evaluation:** Wherever feasible, multiple vendors shall be considered to ensure competitiveness
- **Compliance:** Vendors must comply with all applicable statutory, regulatory, and industry standards



Cutch Castle Bldg., 5th Floor, JSS Rd., Opp. Tiwari Mithaiwala, Opera House, Mumbai 400 004. India.

Tel: 91 22 6821 0771 Mob: 99300 73122

Email: viral@kosha.co.in www.kosha.co.in

CIN: U36910MH2020PLC352601

# Kosha

Fine Jewels Ltd.

(Formerly known as Kosha Fine Jewels Pvt. Ltd.)

- **Alternate Source Strategy:** Critical materials or services should, as far as practicable, have more than one qualified vendor to mitigate supply risk

## KEY FACTORS FOR VENDOR SELECTION

Vendor evaluation shall be based on a holistic assessment of commercial, technical, financial, operational, and ethical factors relevant to the jewellery manufacturing industry.

### 5.1 Trust, Integrity and Market Reputation

- Vendors must have a clean track record and established reputation in the market
- Transparent dealings in gold weight, purity, diamond and stone quality,
- No known history of defaults, disputes, fraudulent practices, or unethical conduct
- Preference may be given to vendors known to management or strongly referred through reliable industry sources

### 5.2 Quality Consistency and Craftsmanship

- Ability to consistently meet the Company's quality benchmarks and finishing standards
- Control over setting strength, symmetry, durability, and overall workmanship
- Adequate systems for stone matching, colour consistency, and quality checks

### 5.3 Commercial Competitiveness and Cost Transparency

- Pricing shall be evaluated based on competitiveness, consistency, and alignment with prevailing wholesale market benchmarks
- Vendors must provide a clear and verifiable cost breakup, including:  
Gold weight issued and returned  
Diamond and stone rates
- Emphasis shall be placed on transparency and predictability of pricing rather than short-term price advantages
- Pricing practices that lack clarity, involve frequent revisions, or result in billing disputes shall be viewed unfavourably
- Evaluation shall consider overall cost efficiency, process reliability, and long-term commercial viability

### 5.4 Timely Delivery and Reliability

- Proven ability to adhere to agreed timelines
- Capacity to handle urgent or priority orders without compromising quality
- Proactive communication in case of anticipated delays
- Accountability for repeated delays or non-adherence to delivery commitments

### 5.5 Financial Stability and Discipline

- Vendors must demonstrate financial stability and creditworthiness
- Ability to operate without excessive dependence on advances
- Disciplined approach towards payment terms and settlements
- Proper reconciliation of gold, diamonds, stones, and other materials issued and returned



Cutch Castle Bldg., 5th Floor, JSS Rd., Opp. Tiwari Mithaiwala, Opera House, Mumbai 400 004. India.

Tel: 91 22 6821 0771 Mob: 99300 73122

Email: [viral@kosha.co.in](mailto:viral@kosha.co.in) [www.kosha.co.in](http://www.kosha.co.in)

CIN: U36910MH2020PLC352601

# Kōsha

Fine Jewels Ltd.

(Formerly known as Kōsha Fine Jewels Pvt. Ltd.)

## 5.6 Communication and Responsiveness

- Clear, timely, and professional communication
- Understanding of the Company's design requirements, brand positioning, and business urgency
- Willingness to suggest process improvements or cost optimisation where appropriate
- Maintenance of proper documentation

## 5.7 Compliance and Ethical Standards

- Compliance with applicable laws, tax regulations, labour laws, and industry norms
- Issuance of proper invoices and maintenance of statutory documentation
- Adherence to ethical business practices and avoidance of conflicts of interest

## VENDOR SELECTION PROCESS

The vendor selection process shall commence with identification of requirements by the concerned department, including specifications, quantities, quality standards, delivery timelines, and compliance obligations.

Potential vendors may be identified through market research, industry references, existing approved vendor lists, or other suitable methods. Quotations or proposals shall be obtained and evaluated based on the criteria set out in this Policy.

Due diligence may include assessment of technical capability, quality systems, financial stability, past performance, compliance history, and, where required, site visits or audits.

Final selection shall be based on overall value offered, considering quality, reliability, cost, compliance, and risk factors. All engagements shall be formalised through purchase orders, work orders, or agreements approved in accordance with the applicable Delegation of Authority.

## RISK MANAGEMENT AND CONTROLS

The Company shall adopt appropriate risk management measures to mitigate vendor-related risks, including:

- Financial due diligence and verification of credentials
- Evaluation of operational capacity and delivery reliability
- Monitoring compliance with statutory and contractual obligations
- Periodic review of vendor performance

Advance payments, if any, shall be subject to internal approvals and appropriate safeguards. Vendor invoices shall be processed as per internal control procedures to ensure accuracy and accountability.

## ETHICS, ANTI-CORRUPTION AND GOVERNANCE

Vendors are expected to conduct business with integrity and adhere to ethical standards. Any form of bribery, corruption, or unethical conduct is strictly prohibited.

The Company reserves the right to suspend or terminate vendor relationships in case of ethical violations, non-compliance, or loss of trust.



Cutch Castle Bldg., 5th Floor, JSS Rd., Opp. Tiwari Mithaiwala, Opera House, Mumbai 400 004. India.

Tel: 91 22 6821 0771 Mob: 99300 73122

Email: [viral@kosha.co.in](mailto:viral@kosha.co.in) [www.kosha.co.in](http://www.kosha.co.in)

CIN: U36910MH2020PLC352601

# Kosha

Fine Jewels Ltd.

(Formerly known as Kosha Fine Jewels Pvt. Ltd.)

## CONCLUSION

A structured and disciplined vendor identification and selection process is essential for ensuring consistent quality, operational efficiency, and risk mitigation in the jewellery manufacturing business. This Policy enables the Company to engage reliable and ethical vendors while maintaining transparency, compliance, and accountability in vendor management.

For Kosha Fine Jewels Limited

(Formerly known as Kosha Fine Jewels Private Limited)

*V. N. Kothari*

Viral Navinchandra Kothari

Managing Director

DIN: 09011478

Place: Mumbai

Date: 22/09/2025



Cutch Castle Bldg, 5th Floor, JSS Rd., Opp. Tiwari Mithaiwala, Opera House, Mumbai 400 004. India.

Tel: 91 22 6821 0771 Mob: 99300 73122

Email: viral@kosha.co.in www.kosha.co.in

CIN: U36910MH2020PLC352601