



JINDAL WORLDWIDE LIMITED

Policy on Related Party Transactions

As Amended w.e.f. 1st April, 2024

Pursuant to the Companies Act, 2013 & the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof

INTRODUCTION

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the listed entity is required to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

Accordingly, the Board of Directors (the "Board") of Jindal Worldwide Limited (the "Company") on the Recommendation of Audit Committee, adopted policy on Related Party Transactions with effect from 1st October, 2014 and same was revised by the Board of Directors in its Meeting held on 22nd June, 2021.

Further, pursuant to the various amendments in the Listing Regulations and Companies Act, 2013 from time to time, the Board of Directors at its meeting held on 27th May, 2024 have approved for an amendment in the Policy in supersession of the previous Policy to make it in line with the amended Regulations and Act, on the recommendation of Audit Committee and the same shall be effective w.e.f. 1st April, 2024.

PURPOSE

1. To maintain transparency and fairness in dealings with the Related Parties;
2. To meet the high standard of good corporate governance practices and timely reporting of transactions between the Company and its Related Parties;
3. To ensure the compliances with various applicable laws prescribed for Related Party Transactions.

DEFINITIONS

- **"Act"** means Companies Act, 2013 and includes notifications, circulars & clarifications as Issued /amended by the Ministry of Corporate Affairs, from time to time.
- **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations.
- **"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.
- **"Board of Director" or "Board"** means the Board of Directors of Jindal Worldwide Limited, as constituted from time to time.
- **"The Company"** means Jindal Worldwide Limited and its units/offices.
- **"Key Managerial Personnel" or "Key Management Personnel (KMP)"** means:
 - **As per Section 2(51) read with Rule 2 of the Companies (Specification of definitions details) Rules, 2014:**
 - i. the Chief Executive Officer or the managing director or the manager;
 - ii. the company secretary;
 - iii. the whole-time director;
 - iv. the Chief Financial Officer;
 - v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - vi. such other officer as may be prescribed and any other person appointed by the Board of Directors as Key Managerial Personnel;

- **As per Indian Accounting Standard-24 or INDAS-24:**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
- **Listing Regulations'** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 includes Standard Operating Procedures (SOPs), notifications, circulars & clarifications as issued/amended by the Securities and Exchange Board of India, from time to time.
- **"Material Modifications means** a change or variation of Twenty percent (20%), in value, of approved transactions.
- **"Material Transactions"** means
 - a) the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower;
 - b) the transaction involving payments made to a related party with respect to brand usage or royalty to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- **"Policy"** means Policy on Related Party Transaction.
- **"Related Party"** an entity shall be considered as related to the Company if:
 - (i) Such entity is related party under Section 2(76) of the Companies Act, 2013; or
 - (ii) Such entity is a related party under the applicable accounting standardsDetailed definition of Related Party as per applicable laws are annexed as **Annexure-I**.
- **"Related Party Transactions"** means a transaction as defined under Regulation 2(1)(zc) of the Listing Regulations; transaction specified in Section 188(1) of the Act or covered under the applicable accounting standard on related party.

Detailed definition of Related Party Transactions as per applicable laws are annexed as **Annexure-II**.
- **"Relative"** with reference to any person, means any one who is related to another, if—
 - a) they are members of a Hindu Undivided Family;
 - b) they are husband and wife; or
 - c) one person is related to the other in the following manner:
 - i. Father (includes stepfather)
 - ii. Mother (includes stepmother)
 - iii. Son (includes stepson)
 - iv. Son's wife
 - v. Daughter
 - vi. Daughter's husband
 - vii. Brother (includes stepbrother)
 - viii. Sister (includes stepsister)
- **"SEBI"** stands for the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992 to regulate securities market.

- **“Ordinary Course of Business”** means the transactions entered regularly and frequently with the Company by any related party or the transactions entered which are necessary for business operations.
- **“Omnibus approval”** means a consolidated/standing approval given by the Audit Committee in respect of transaction(s) which are repetitive in nature.

IDENTIFICATION OF RELATED PARTY

Related Party shall be identified based on the definition prescribed under **Annexure I**.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Related Party Transactions shall be identified based on the definition prescribed under **Annexure II**.

Each Director and Key Managerial Personnel is responsible for providing Notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

- (a) Each Director/Key Managerial Personnel is responsible for providing written notice to the Company Secretary of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Company Secretary may reasonably request. The Company Secretary in consultation with other members of management and with the Audit Committee, as may be deemed appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- (b) Every Director/ Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contracts or arrangement.
- (c) Where any director/ Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.
- (d) A contract or arrangement entered into by the company without disclosure or with participation by a Director/Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- (e) The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be done by the appropriate authority as it may deem fit.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

A. Approval of Audit Committee

- All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the Company. Members of Audit Committee, who are Independent Director shall approve Related Party Transactions.
- the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions
- a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity 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 consolidated turnover, as per the last audited financial statements of the listed entity
- with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity 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

Exceptions: Prior approval of the audit committee 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 sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Omnibus Approval of Audit Committee:

All Related Party Transactions or changes therein must be reported by the Chief Financial Officer and/or Head of Accounts Department to the Company Secretary. Thereafter, such transactions shall be referred for prior approval by the Audit Committee in accordance with this Policy at its meeting or by resolutions by circulation. 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:

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following: -
 - a. maximum value of the transactions, in aggregate, in a year;
 - b. the maximum value per transaction;
 - c. extent and manner of disclosures at the time of seeking omnibus approval;
 - d. review related party transactions entered into by the company pursuant to omnibus approval;
 - e. transactions which cannot be subject to the omnibus approval by the Audit Committee

The Audit Committee based on the aforesaid criteria shall grant omnibus approval of related party transactions that are repetitive in nature.

2. The omnibus approval shall specify:
 - a. the name of the related party and nature of relationship;
 - b. the nature, duration of the contract and particulars of the contract or arrangement;
 - c. the material terms of the contract or arrangement including the value, if any;
 - d. any advance paid or received for the contract or arrangement, if any;
 - e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

- f. 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; and
- g. any other information relevant or important for the Committee to take a decision on the proposed transaction.

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 or such limit as may be prescribed in Listing Regulations/Act from time to time.

- 3. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company
- 4. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- 5. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given
- 6. Any member of the Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.
- 7. 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:
 - a. Whether the transactions is to be entered into by the Company in its ordinary course of business;
 - b. 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;
 - c. 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;
 - d. Whether the Related Party Transaction would affect the independence of the directors/KMP;
 - e. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - f. Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company; and
 - g. 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, Executive Officer 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/Committee deems relevant.

B. Approval of Board of Directors

The transactions that require approval of Board of Directors are:

1. the transactions as per section 188 of the Act (referred in **Annexure-II**) require approval of Board of Directors by means of passing of resolution at the meeting of the Board, if the said transactions are not in ordinary course of business or not at arm's length basis.
2. If the Audit Committee determines that a Related Party Transaction should be brought before the Board or the Board in any case elects to review any such matter the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above to the Audit Committee shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
3. Material Related Party Transactions exceeding the threshold limit as per the Act and Listing Regulations, which require approval of the shareholders.

Approval of the shareholders of the Company

The following Related Party Transactions shall require prior approval of shareholders of the Company through resolution:

1. All Material Transactions entered with the Related Party
2. Following transactions which are not in ordinary course of business:
 - I. Any contracts or arrangements as mentioned below:
 - a. sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company
 - b. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company
 - c. leasing of property any kind 6[amounting to ten percent or more of the turnover of the company
 - d. availing or rendering of any services, directly or through appointment of agent, 3[amounting to ten percent or more of the turnover of the company

Explanation:- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

- II. Transactions is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees;
- III. Transactions is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth

Explanations:

1. *Transaction to be entered into with related party shall be considered as individually or taken together with the previous transactions during a financial year.*
2. *The turnover or net worth shall be computed on the basis of the audited financial statement of the preceding financial year.*
3. *Office or place of profit means:*
 - *if it is held by director;*
 - *if by individual other than a director or by a firm, private company or other body corporate and if director or any of above receives any remuneration over and above he is entitled to receive by way of salary, fee, commission, perquisites, any rent free accommodation or otherwise;*
4. *If there is any change in the abovementioned limits by any amendment in the relevant law, the limits revised from time to time will be applicable.*

Decision regarding transaction in ordinary course of business and on arm's length basis:

The Audit Committee or the Board shall, in respect of the related party transactions referred to them for approval, shall after considering the materials placed before them, shall judge if the transaction is in the ordinary course of business or at arm's length basis. In case the Audit Committee is not able to arrive at such a decision, the same shall be referred to the Board, which shall decide if the transaction is the ordinary course of business or at arm's length basis. In case the Board is not able to arrive at such a decision, the same shall be decided by the Independent Directors, whose decision shall be final.

RELATED PARTY TRANSACTION NOT APPROVED UNDER THIS POLICY

- **In case of Audit Committee:**

In the event the Audit Committee becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The 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 the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

- **In case of Board of Director:**

Where any contract or arrangement is entered into by a director or any other employee without obtaining the consent of the Board, the same may be ratified by the Board. If it is not ratified by the Board then such contract or arrangement shall be voidable at the option of the Board.

- **In case of Shareholders:**

Where any contract or arrangement is entered into by a related party without obtaining approval by a Special Resolution in the general meeting and if it is not ratified by the Shareholders at a meeting within three (3) 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 Shareholder.

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.

REVIEW AND DISCLOSURES

- a. This policy will be reviewed by the Board once in every three years;
- b. The Company shall disclose to the stock exchanges, where the securities of the Company are listed, all related party transactions as required to be disclosed pursuant to Listing Regulations or any circulars issued by SEBI from time to time, in the format and manner as prescribed.

- c. The Company is also required to disclose this Policy on its website i.e. www.jindaltextiles.com and a web link thereto shall be provided in the Annual Report of the Company.
- d. The Company is required to disclose every contract or arrangement entered into with related party and details of related party transactions in Company's Board's Report/ Annual Financial Results pursuant to the Act, Listing Regulations, applicable accounting standards or any circulars or notifications issued by any statutory authority applicable to the Company.
- e. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party as prescribed under Section 189 of Companies Act, 2013 and Rules made there under as amended from time to time and ensure strict compliance thereof.

ADMINISTRATION AND REVIEW OF THE POLICY

The Board of the Company on the recommendation of the Audit Committee shall have authority to amend or modify this policy to align with any amendments made to the Act and rules made thereunder or Listing Regulations or applicable Accounting Standards or such other circulars, SOP, guidelines or regulations issued by SEBI, Stock Exchanges(s) or any other statutory authority.

In the event of any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws then this policy shall stand modified to the extent applicable.

In the event of inconsistency of this policy with any statutory provisions, then the relevant provisions of such applicable law shall prevail upon the provisions of this Policy.

Annexure-I

Definition of Related Party

- **Pursuant to provisions of Section 2(76) of the Act read with Rule 3 of Companies (Specification of Definitions Details) Rules, 2014**

“Related Party”, with reference to a company, means—

- a director or his relative;
- a key managerial personnel or his relative;
- a firm, in which a director, manager or his relative is a partner;
- a private company in which a director or manager or his relative is a member or director;
- a public company in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital;
- any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- any person on whose advice, directions or instructions a director or manager is accustomed to act;
- any company which is—
 - a holding, subsidiary or an associate company of such company; or
 - a subsidiary of a holding company to which it is also a subsidiary;
 - an investing company or the venturer of the company;

Explanation:

- *Directions or instructions given in a professional capacity shall not attract Points No-(vi) & (vii).*
- *For point (viii) (c), “the investing company or the venturer of the company” means a body corporate whose investment in a company, would result in the Company becoming an associate company of the body corporate.*

- **As per Regulation 2(1)(zb) of the Listing Regulations**

Related Party means a related party as defined under section 2(76) of the Act or under the applicable accounting standards.

In addition to that, following are also deemed to be a Related Party:

- any person or entity forming a part of the promoter or promoter group of the listed entity; or
- any person or any entity, holding below mentioned percentage of equity shares in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year:
 - twenty per cent or more with effect from April 1, 2022;
 - ten per cent or more, with effect from April 1, 2023.

- **As per INDAS-24**

A related party is a person or entity that is related to the Company that is preparing its financial statements in the following manner:

- A person or a close member of that person's family is related to the Company if that person:
 - has control or joint control of the Company;
 - has significant influence over the Company; or
 - is a member of the key management personnel of the Company or of a parent of the Company.
- An entity is related to the Company if any of the following conditions applies:
 - The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Explanations:

- *The terms 'Control', 'Joint Control' and 'Significant Influence' are defined in Ind AS 110, Ind AS 111 and Ind AS 28 respectively.*

Annexure-II

Related Party Transactions

- **As per Section 188 of the Act**

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company

- **As per Regulation 2(1)(zc) of the Listing Regulations**

"Related party transaction" means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

However, following shall not be considered as related party transaction:

- 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 listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchanges, in the format as specified by the Board.

- **As per INDAS-24**

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.