

POLICY

ON

RELATED PARTY TRANSACTIONS

Policy Title	Policy on Related Party Transactions
Effective Date	April 1, 2022
Policy Revision dates	May 30, 2022
Approved by	Audit Committee on May 30, 2022 Board of Directors on May 30, 2022

SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Jindal Saw Limited (“JSAW” or “the Company”) has a process for identification of Related Parties (RPs) and Related Party Transactions (RPTs), the proper conduct and documentation of all RPTs and procedures governing the review, determination of materiality, approval and reporting of such RPTs.

Regulation 23 of the Listing Regulations also requires the Company to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

In light of the above, JSAW has framed this Policy on Related Party Transactions (“Policy”). This Policy has been, after consideration of recommendations of Audit Committee, adopted by the Board of Directors of the Company.

OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Listing Regulations, applicable Accounting Standards and any other laws and regulations as may be applicable to the Company.

DEFINITIONS

“Applicable Law(s)” means the Act and the rules made thereunder, the Listing Regulations and any further amendments therein which includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions, applicable on the Company.

“**Arm’s Length Transaction** (‘ALT’) means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and the Listing Regulations;

“**Board of Directors or Board**” means the collective body of the Directors of the Company;

“**Chief Executive Officer (CEO)**” means an officer of the Company as defined in Section 2(18) of the Act;

“**Chief Financial Officer (CFO)**” means a person of the Company as defined in Section 2(19) of the Act;

“Company Secretary (CS)” means a Company Secretary as defined in Section 2(24) of the Act;

“Key Managerial Personnel” means –

- (a) the Chief Executive Officer or the Managing Director or the Manager;
- (b) the Company Secretary;
- (c) the Whole Time Director;
- (d) the Chief Financial Officer; and
- (e) Such other officer as may prescribed;

“Managing Director” means Managing Director as defined in Section 2(54) of the Act;

“Material Modification” shall mean any modification made in the terms and conditions of any RPT, as originally approved by the Audit Committee and/ or shareholders, as the case may be which, individually or taken together with previous modifications during a financial year, results in variation in the value of the RPT, by at least 35%, or has significant impact on the nature, value, tenure, exposure, or likely financial impact of such transaction, as may be determined by the Audit Committee from time to time.

Provided that a modification shall be material, if by such modification, the terms of the contract cease to be arm’s length. Provided further that the following shall not be considered as material modification:

- modifications which may be mandated pursuant to change in law;
- modifications pursuant to and in accordance with the terms of the approved transaction/ contract, with mutual consent of parties;
- modifications resulting from change in constitution of either of parties pursuant to scheme of arrangement (eg merger, amalgamation, demerger, etc.);
- modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- modifications uniformly affected for similar transactions with unrelated parties
- unexhausted limits of approved transaction shall not be considered as modification in the transaction.

“Material Related Party Transactions” means transactions as defined under Regulation 23 of Listing Regulations and under Section 188(1) of the Act read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014

“Ordinary Course of Business (“OCB”) means a transaction which is :

- carried out in the normal course of business envisaged in accordance with the Memorandum of Association (“MoA”) of the Company as amended from time to time, or
- historical practice with a pattern of frequency, or

- common commercial practice, or
- 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 in Section 2(77) of the Act and Regulation 2(1)(zd) of the Listing Regulations.

“**Related Party**”, will have the same meaning as defined under Section 2(76) of the Act and under Regulation 2(1)(zb) of the Listing Regulations.

“**Related Party Transactions**” will have the same meaning as defined under Section 188 of the Act and under Regulation 2(1)(zc) of the Listing Regulations.

“**Transactions**” shall be construed to include single transaction or a group of transactions in a contract;

“**Whole-time Director**” means Whole-time Director as defined in Section 2(94) of the Act;

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) **Identification of related parties**

The Company has a process for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2 (zb) of the Listing Regulations or any other law as may be applicable from time to time.

b) **Identification of related party transactions**

The Company has a process for identification of related party transactions in accordance with Section 188 of the Act and Regulation 23 of the Listing Regulations.

c) **Procedure for approval of related party transactions**

All the Related Party Transactions and subsequent Material Modification thereto shall be approved as per the provisions of Section 188 and rules made thereunder and Regulation 23 of Listing Regulations read with circulars, notification, rules and guidelines issued by SEBI in this regards.

DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis or material contracts / arrangements (as per the Act) along with the justification for entering into such transaction.

The Company shall intimate, to the stock exchange(s) within the time limit as prescribed under the Applicable Laws, disclosures of related party transactions on a consolidated basis, in the format specified by SEBI from time to time, and publish the same on its website

Company shall also provide details of all related party transactions meeting the materiality threshold (laid down in the Policy above) on a quarterly basis to the stock exchanges.

Review/Amendment

This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

INTERPRETATION

The words and expressions used in this Policy but not defined herein shall have the same meaning as prescribed to them in the Act, Rules made thereunder, SEBI Act 1992 or Rules and Regulations made thereunder, Listing Regulations or any other relevant legislation / law applicable to the Company.

Any amendments in the Applicable Law, including any clarification/circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous application of Applicable Law at the time of its implementation.

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