



JSW HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

1. PREFACE

Policy Title	:	Policy on dealing with Related Party Transaction
Effective Date	:	May 28, 2025
Authorised by	:	Board of Directors vide resolution dated January 29, 2022
Last Revised Date	:	May 28, 2025

2. INTRODUCTION

This policy is intended to ensure proper approval and reporting of transactions between the Company and any of its Related Parties. This policy shall apply to all transactions entered into by the Company with its Related Parties as prescribed under the Companies Act, 2013 read with the Rules and Regulations framed thereunder (hereinafter referred to as the ‘Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015 as amended from time to time read along with the Notifications and Circulars as may be issued thereunder (hereinafter referred to as ‘SEBI LODR’ or ‘Listing Regulations’) and such other Rules and Regulations as may be applicable. The policy sets forth the nature of Related Party Transactions, approvals and disclosure requirements. The Audit Committee and/or Board of Directors may review/amend this Policy from time to time and in any case once in three years.

3. APPLICABILITY

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including Material Related Party Transactions.

Transactions covered by this policy include any contract or arrangement with Related Party with respect to transactions defined hereunder as ‘Related Party Transaction’.

4. DEFINITIONS

‘Act’ means Companies Act, 2013 and the Rules framed thereunder, including any modification, amendments, clarification, circulars or re-enactments thereof.

‘Arm’s Length Transaction’ 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 or Committee’ means a Committee of Board of Directors of the Company constituted in accordance with the provisions of SEBI LODR and the Act to discharge its functions as the Audit Committee.



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

'Board' means collective body of the Directors of the Company.

'Company' means JSW Holdings Limited.

'Control' shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and in accordance with the Act.

"Industry Standards" shall mean the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" as notified by SEBI vide its circular dated February 14, 2025 to the extent applicable to the Company, as amended from time to time.

'Key Managerial Personnel' means key managerial personnel as defined under the Act, applicable accounting standards and SEBI LODR as the case may be.

'Management' means and includes Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or such other person(s), as may be identified & appointed from time to time by the Audit Committee or Board.

'Material Related Party Transaction' - A Related Party Transaction shall be considered as a Material Related Party Transaction if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds one thousand (1,000) crores or ten (10) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

However, a Transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the Transactions to be entered into individually or taken together with previous Transactions during a financial year, exceed five (5) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

'Material Modification' - means any amendment, modification, alteration or termination of any terms and conditions of a Related Party Transaction(s) which shall predominantly change the nature and characteristics of the said transaction or significantly affect the rights and obligations of the parties involved including any change in the value of transactions exceeding 10% (Ten percent) of the total value of the transaction(s) approved by the Audit Committee/ Members earlier.

'Policy' means this Related Party Transaction Policy.

'Related Party' shall have the meaning as defined under Regulation 2(1)(zb) of the SEBI LODR and Section 2(76) of the Act.



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Regulation 2(1)(zb) of the SEBI LODR

Related Party means a Related Party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards:

Provided that:

- a. any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b. any person or any entity, holding equity shares:
 - (i) of ten per cent or more, with effect from April 1, 2023 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; shall be deemed to be a Related Party.

Section 2(76) of the Act

Related Party, with reference to a company, means –

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) anybody 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;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) anybody corporate which is –
 - (A) a holding, subsidiary or an associate company of such Company; or
 - (B) a subsidiary of a holding company to which it is also a subsidiary;
 - (C) an investing company or the venturer of the Company;
- (ix) Director, other than independent director or Key Managerial Personnel of the holding Company or his relative with reference to a Company.

‘Related Party Transaction’ means a transaction(s) involving transfer of resources, services or obligations between (a) the Company or any of its subsidiary on one hand and a Related Party of the Company or its subsidiary on the other hand or (b) the Company 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 Company or any of its subsidiaries; regardless of whether a price is charged and shall include:

- (i) sale, purchase or supply of any goods or materials;
- (ii) selling or otherwise disposing of, or buying, property of any kind;



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) such Related Party's appointment to any office or place of profit in the company, its subsidiary Company or associate Company;
- (vii) underwriting the subscription of any securities or derivatives thereof, of the company.

and shall exclude:

- (i) The issue of specified securities on a preferential basis in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (ii) The corporate actions viz. payment of dividend, subdivision or consolidation of securities, rights issue or bonus issue of securities and buy back of securities, that are uniformly applicable to all shareholders in proportion to their shareholding.
- (iii) Acceptance of fixed deposits at the terms uniformly applicable to all shareholders and the public, subject to disclosure of the same along with the Related Party Transaction disclosure made every six (6) months to the stock exchange(s).
- (iv) Acceptance of current account deposits and savings account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:
Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
- (v) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors

Note: A 'transaction' with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

Further remuneration and sitting fees paid by Company or its subsidiaries to its directors, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

'Relative' means relative as defined under Section 2(77) of the Act and includes anyone who is related to another, if -

- (i) They are members of a Hindu undivided family;
- (ii) They are husband and wife; or
- (iii) Father (including step-father)
- (iv) Mother (including step-mother)
- (v) Son (including step-son)



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

- (vi) Son's wife
- (vii) Daughter
- (viii) Daughter's husband
- (ix) Brother (including step-brother)
- (x) Sister (including step-sister)

5. Interpretation

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI LODR, Accounting Standards or any other relevant legislation / law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term /provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

6. Identification of Related Party Transactions

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 read with section 177 of the Act and Regulation 2(1)(zc) of the Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a) Part A - Minimum information of the proposed RPT, applicable to all RPTs.
- b) Part B - Information to be provided only if a specific type of RPT, applicable to all RPTs.
- c) Part C -Information to be provided only if a specific type of RPT proposed to be undertaken is a material RPT and is in addition to Part A and Part B.

7. Requirements of the respective regulations:

A. Companies Act 2013 (Act):

Related Party Transactions which are not in ordinary course of business and/or on arm's length basis, if within the threshold limits prescribed for the specified Transaction under the Act, shall only require prior approval of the Board.



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Related Party Transactions which are not in ordinary course of business and/or on arm's length basis; if exceeding the threshold limits prescribed for the specified Transaction under the Act, shall not only require **prior** approval of the Board but also of the Shareholders of the Company.

Section 177(4)(iv) of the Act, requires Audit Committee to approve transactions or any subsequent modification thereof of the Company with the related parties. The Audit Committee may grant omnibus approval for any Related Party Transactions proposed to be entered into by the Company in compliance with the provisions of the Act.

B. LODR Regulations, 2015:

As per Regulation 23 of the LODR Regulations, 2015, the requirements for Related Party Transactions are:

- ✓ Formulate a policy on materiality of Related Party Transactions and dealing with Related Party Transactions.
- ✓ The Audit Committee of a Company shall define 'Audit Committee' and disclose it as part of the policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.
- ✓ All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance with conditions as prescribed.
- ✓ All Material Related Party Transactions and subsequent Material Modifications shall require **prior** approval of the shareholders through a resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

C. IND AS 24 - Disclosure of the Related Party Transactions:

The accounting standard requires the disclosure of the Related Party relationship and the Transactions with related parties in the annual report.

Following are some examples of the Related Party Transactions under IND AS 24:

- ✓ Purchase or sale of goods (finished or unfinished);
- ✓ Purchase or sales of property or other assets;
- ✓ Rendering or receiving of services;
- ✓ Leases;
- ✓ Transfer of research and development;
- ✓ Transfer under Licence agreements;
- ✓ Transfers under finance arrangements (including loans and equity contributions in cash or in kind);



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

- ✓ Provision of guarantees or collaterals;
- ✓ Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised);
- ✓ Settlement of liabilities on behalf of the entity or by the entity on behalf of that Related Party;
- ✓ Management contracts including deputation of employees.

8. Related Party Transactions should be at Arm's Length Price:

All Related Party Transactions should be adequately supported by Contracts or purchase orders/ work order or sales order and documentations to justify Arm's Length Price.

If Arm's Length Price cannot be justified for any transaction, then, only after the prior approval from the Audit Committee the said transaction shall be undertaken. Prior approval of the Board and / or shareholders shall also be availed, if required, before undertaking the said transaction.

9. Transactions with Related Parties:

A. Approval of Audit Committee – Specific approval

- a) All transactions entered into by the Company with Related Party and / or any subsequent modification will be put up for approval of Audit Committee on regular basis.
- b) All Related Party Transactions and / or subsequent Material Modifications will be done only after prior approval of Audit Committee.
- c) Any Material Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, 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.
- d) The Company may inter alia provide the following information for review of the Audit Committee for approval of any Related Party Transaction:
 1. Type, material terms and particulars of the proposed transaction;
 2. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
 3. Tenure of the proposed transaction;
 4. Value of the proposed transaction;



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

5. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided;
 6. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
 7. Justification as to why the Related Party Transaction is in the interest of the Company;
 8. A copy of the valuation or other external party report, if any such report has been relied upon;
 9. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction on a voluntary basis;
 10. Any other information that may be relevant;
- e) The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards.
- f) The approval of the Audit Committee can be granted by way of a circular resolution.
- g) The company shall also provide disclosures as per industry standards and place the applicable information before the Committee for approval.

B. Approval by Audit Committee – Omnibus Approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to compliance with following conditions:



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

- a) 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.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c) Such omnibus approval shall specify:
 - i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - ii) the indicative base price / current contracted price and the formula for variation in the price if any.
 - iii) minimum information about the RPTs as per the provisions of the Industry Standards,
 - iv) such other conditions as the Audit Committee may deem fit.

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.

- d) 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 approval given.
- e) Shareholders' approval for omnibus material related party transactions obtained at an Annual General Meeting (AGM) shall remain valid until the next AGM, provided the period does not exceed fifteen months. In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

C. Approval of Board of Directors

- a) The Transactions which are not in ordinary course of business or not at Arm's Length pricing or both will require prior approval of Board.
- b) Transaction with Related Party, other than those covered above, may be referred / intimated to the Board for their approval / noting, as the case may be.

D. Approval of Shareholders

- a) All Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Shareholders.
- b) All kinds of transactions with related parties covered under Section 188 of the Act which
 - i. are not at Arm's Length or not in the ordinary course of business; and



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

- ii. exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 or in this Policy, shall require prior approval of the shareholders through resolution.
- c) The notice sent to shareholders for their approval of a Related Party Transaction must include enough information to help them decide if the terms are good for the company.
- d) The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:
 - i A summary of the information provided by the management of the Company to the audit committee as specified in paragraph 9A(d);
 - ii Justification for why the proposed transaction is in the interest of the Company;
 - iii Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified in para 9A(d) 6 above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
 - iv A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
 - v Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
 - vi Any other information that may be relevant.
- e) The notice to shareholders seeking approval for any material RPT shall, in addition to the requirements of the Companies Act, 2013, include the following information in the explanatory statement, as per industry standards.

E. Voting on Related Party Transaction

- a) In determining whether to approve or ratify a Related Party Transaction, the Committee / Board, as the case may be, shall consider among other factors, as it deems appropriate, whether the Related Party Transaction is in the ordinary course of business of the Company and on arm's length basis and the Related Party's interest in the Transaction. For this purpose, the Audit Committee / Board, as the case may be, are entitled to seek the assistance of any employee of the Company or one or more independent experts of its choice at the expense of the Company.
- b) If any director of the Company is interested in any contract or arrangement with a Related Party, such director cannot be present at the Board meeting of the Company during discussions, deliberations and approval of the said transaction and if the said Director is also a Member of the Audit Committee, then he shall also abstain himself



HOLDINGS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

from attending/ participating in the discussions, deliberations and approval of the said transaction in the meeting of the Audit Committee.

- c) Only those members of the Audit Committee, who are independent directors, shall approve the Related Party Transactions.
- d) Members who are related parties of the Company shall not vote to approve any resolution with respect to a Related Party Transaction irrespective of whether the entity is a related party to the particular transaction(s) or not.

10. Reporting and disclosure of Related Party Transactions:

- a) Director's Report shall contain details of Related Party Transactions as required under the Act.
- b) All information shall be provided by the Company to the Audit Committee, in such manner and with such details, as may be required and prescribed to be provided under the Act and/or SEBI Regulations or by SEBI or any other relevant authority, from time to time
- c) The Company shall disclose to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis details of all Material Related Party Transactions.
- d) The Company shall disclose the policy on dealing with Related Party Transactions on its website and a link to it will be provided in the Annual Report.
- e) This Policy will be made available to all operational employees and other concerned personnel of the Company.
- f) The Company shall submit to the stock exchanges, where the shares of the Company are listed and publish the same on its website, the details of the Related Party Transactions on a consolidation basis, in the format specified by SEBI, as per stipulated timelines from the date of publication of its standalone and consolidated financial statements.