JIWANRAM SHEODUTTRAI INDUSTRIES LIMITED

Policy on Related Party Transactions

1. INTRODUCTION

The Board of Directors (the "**Board**") of **Jiwanram Sheoduttrai Industries Limited** (the "**Company**") has adopted at its meeting held on 30th May, 2025 the following policy and procedures (the "**Policy**") with regard to the Related Party Transactions as defined below. The Audit Committee shall review and may propose amendments to this policy as may be required.

The Related Party Transactions may have potential or actual conflict of interests. Such transactions are appropriate only if they are in the best interest of the Company and its stakeholders. In order to ensure the same and to set forth the procedures for entering into and execution of Related Party Transactions, this Policy has been formulated

2. APPLICABILITY

This policy shall be applicable to Company and its subsidiaries. This policy has been enacted to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The Policy is applicable to all Related Party Transactions irrespective of their value and size.

The Policy shall be applicable to the Company with effect from the listing of the equity shares of the Company on one or more recognized stock exchanges.

3. OBJECTIVES

This policy is framed as per the requirement of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (**"Listing Regulations"** or "**SEBI LODR"**) to ensure the proper approval and reporting of transactions between the Company and its related parties as determined under Listing Regulations, Companies Act, 2013 and rules prescribed there under ("**Act**" or **"Act, 2013"**), and any other laws and regulations as may be applicable to the Company.

The Company is required to disclose in its annual financial statements and Board's Report, certain transactions between the Company and related parties as well as policy relating thereto. This Policy shall be disclosed on the website of the Company and a web link there to shall be provided in the Annual Report.

4. DEFINITIONS

Definition of some of the key terms used in this policy are given below:

1. **"Act"** means Companies Act, 2013, and the rules thereunder, as amended from time to time.

2. **“Arm’s Length Transaction”** means a transaction between the Company and its Related Parties that is conducted as if they were unrelated and at a fair value, so that there is no conflict of interest.

3. **“Associate Company”** shall have the meaning as defined in Section 2(6) of the Act and SEBI LODR.

4. **“Audit Committee”** or “**Committee**” means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the Listing Regulations.

5. **“Company”** means **Jiwanram Sheoduttrai Industries Limited**.

6. **“Director”** means a director on the Board of the Company.

7. **“Key Managerial Personnel”** or **“KMP”** means a key managerial personnel as defined under the Act.

8. **“Listing Regulations”** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments or modifications or circulars or notifications issued thereunder.

9. **“Material Modification”** means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 20% or more or by which the transaction ceases to be in ordinary course and/or on arm’s length basis or such other parameter as may be determined by the Audit Committee from time to time.

10. **“Material Related Party Transaction as per SEBI LODR”** means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand (1000) crores or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other threshold as may be laid down from time to time by Applicable Law. For this purpose, any transaction involving payments made to Related Party with respect to brand usage or royalty, either individually or taken together with previous transactions during a financial year, exceeding five percent (5%) of the annual consolidated turnover of the Company as per the Company’s last audited financial statement, shall also be considered as Material Related Party Transaction.

    “**Material Related Party Transactions under Companies Act, 2013**” means transactions as defined under Section 188(1) of the Act, 2013 by the Company with Related Parties defined under Section 2(76) of the Act, 2013 where the aggregate value of the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under:

- sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company;
- selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agent, amounting to 10% or more of the net worth of the Company;
- leasing of property of any kind amounting to 10% or more of the turnover of the Company;
- availing or rendering of any services directly or through appointment of agent, amounting to 10% or more of the turnover of the company;
- such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2,50,000; and
- remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1% of the net worth;

11. **"Policy"** means this policy on Materiality of Related Party Transactions.

12. **"Related Party"** has the meaning as assigned to it under the Act and Regulation 2(1) (zb) of the Listing Regulations, as amended from time to time. However, (a) any person or entity belonging to the promoter or promoter group of the Company, or (b) any person or entity holding equity shares of 10% or more in the Company either directly or on a beneficial interest basis as provided under the Act, at any time, during the immediately preceding financial year, shall be deemed to be a related party.

13. **"Related Party Transaction"** or **"RPT"** has the meaning prescribed to it under Regulation 2(1) (zc) of the Listing Regulations, as amended and shall include transactions given in clause (a) to (g) of Section 188(1) of the Act.

14. **"Stock Exchanges"** means the stock exchanges where the specified securities of the Company are listed.

15. **"Subsidiary company"** or **"Subsidiary"** means a company as defined under Section 2(87) of the Act.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act read with the rules made thereunder, the Listing Regulations and any other applicable laws or regulations.

5. POLICY

Identification of Related Parties

The Company shall identify the related parties of the Company pursuant to the applicable laws for the time being in force and as per the process determined by the Audit Committee of the Company.

Approval of the Audit Committee

1. All the Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee.
2. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

3. Every proposed RPTs and subsequent material modifications thereof shall require prior approval of Audit Committee of the Company (other than transactions with Wholly Owned Subsidiaries) as per the provisions of the Act and the Listing Regulations. Any subsequent modification shall also require approval of the Audit Committee. Further, Related Party Transactions with wholly owned subsidiaries in the ordinary course of business and at arm's length are exempt from approval requirements, but will be placed before the Audit Committee for review.

4. Where the Audit Committee does not approve the Related Party Transactions, other than prescribed in Clauses (a) to (g) of Section 188(1) of the Act, it shall make its recommendations to the Board for approval.
5. The Audit Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down under Section 177 of the Act and Regulation 23 of the Listing Regulations. Additionally, subject to the Act, the Audit Committee may also grant omnibus approval for Related Party Transactions of unforeseen nature not exceeding Rs.1,00,00,000 per transaction.
6. Further, any Related Party Transaction entered into by a Director/ officer of a Company involving an amount not exceeding Rs. 1,00,00,000 which has been undertaken without obtaining the prior approval of the Audit Committee, or which is not ratified within 3 (three) months of entering into such transaction, shall be voidable at the option of the Audit Committee and if the contract or arrangement is with a Related Party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.
7. A Related Party Transaction to which a Subsidiary is a party but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone

turnover, as per the last audited financial statements of the Subsidiary.

8. Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction shall abstain from discussion and voting on such Related Party Transaction.

Approval of Board of Directors

1. The following Related Party Transactions prescribed under Section 188(1) of the Act, 2013 and within the threshold limits prescribed under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, which are either not in the ordinary course of business of the Company or on an arm's length basis shall, in addition to the prior approval of the Audit Committee, also require prior approval of the Board of Directors of the Company:

   Sale, purchase or supply of any goods or materials; or

   a. Selling or otherwise disposing of, or buying, property of any kind; or
   b. Leasing of property of any kind; or
   c. Availing or rendering of any services; or
   d. Appointment of any agent for purchase or sale of goods, materials, services or property; or
   e. Such Related Party's appointment to any office or place of profit in the Company, its Subsidiary or Associate Company; or
   f. Underwriting the subscription of any securities or derivatives thereof, of the Company.

2. All the Material Related Party Transactions under the SEBI LODR (whether or not in the ordinary course of business of the Company or on an arm's length basis) and all the Material Related Party Transactions under the Act (not in the ordinary course of business and/or not on an arm's length basis), and subsequent material modifications shall require prior approval of the shareholders through ordinary resolution and all the entities falling under the definition of Related Parties, irrespective of whether the Related Party(ies) is a party to the particular transaction or not, shall not vote to approve the relevant transaction.

   Further, the aforementioned conditions shall not apply if the transaction is entered into with wholly owned subsidiaries whose accounts are consolidated with the Company except the transactions covered under Section 188 for which prior approval of the Board of Directors shall be required. The same is also not required where transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

3. Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.

4. Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three 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 Board and 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.

Approval of Shareholders

1. Related Party Transactions set out above which require Board approval and exceed the limits as prescribed under Section 188 of the Act, shall be placed for shareholders' approval by way of a resolution, except for transactions which are between the Company and its wholly-owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval. Any shareholder which is a Related Party in the context of the proposed Related Party Transaction shall abstain from voting on the resolution concerning such Related Party transaction.
2. Subject to the provisions of Regulation 23(4) of the Listing Regulations, all Material Related Party Transactions require the prior approval of the shareholders' and their approval will be sought by way of a resolution. No Related Parties shall vote to approve the Material Related Party Transactions, irrespective of whether the entity is a party to the particular transaction or not, provided that (i) the requirements under this sub-para shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed at the Stock Exchanges within 1 (one) day of the resolution plan being approved; and (ii) prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which a listed Subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of the Listing Regulations are applicable to such listed Subsidiary.

Evaluation Process of Related Party Transactions

1. To approve a Related Party Transaction, the Committee/ Board/ Shareholders, shall be provided all relevant material information of such transaction, including the terms and such other details as required under the Act, the Listing Regulations or by the Audit Committee/ Board, as the case may be. While approving a Related Party Transaction, the Audit Committee/ Board will consider the following factors,

among others, to the extent relevant:

a. whether the terms on which Related Party Transaction is proposed are fair and on arm's length basis to the Company;
b. whether the Related Party Transaction would affect the independence of an independent director;
c. whether the Related Party Transaction includes any potential reputational risk that may arise as a result of or in connection with the proposed transaction; and
d. whether the Related Party Transaction would present conflict of interest for any Director or KMP of the Company.
e. whenever there is any doubt with regard to transactions with Related Parties and/or the applicable corporate governance requirements, the Audit Committee/ Board shall be entitled to seek a legal opinion/clarification for the same.

2. The Audit Committee shall consider all relevant facts and circumstances regarding a Related Party Transaction placed before it.
3. In the event any Director, KMP or any other employee becomes aware of any Related Party Transaction that has been omitted to be approved by the Audit Committee/ Board/ shareholders or is in deviation of this Policy, such person shall promptly notify the company secretary of the Company, of such transaction, who shall ensure that such transaction is brought to the notice of the Audit Committee or the Board, as applicable, at the earliest.
4. The Audit Committee/ Board shall evaluate such transactions and may decide as it considers appropriate, subject to the Act and the SEBI Listing Regulations, necessary action to be taken, including ratification, revision or termination of the Related Party Transaction.

6. DISCLOSURE

1. In terms of the provisions of Section 134(3)(h) of the Act, Related Party Transactions shall be disclosed in the Board's report in the prescribed form.
2. Details of all Material Related Party Transactions shall be disclosed in accordance with Regulation 27 of the SEBI Listing Regulations, as applicable.

   Details of all Related Party Transactions on a consolidated basis, shall be disclosed to the Stock Exchanges, every six months on the date of publication of the Company's standalone and/or consolidated financial results in the format specified in the relevant accounting standards and publish the same on its website.
3. This Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall also be provided in the annual report of the Company.
4. The Company shall keep one or more registers giving separately the particulars of

all contracts or arrangements with any Related Party.

7. POLICY REVIEW

1. This Policy is based on the provisions of the Act and the Listing Regulations, and shall be reviewed by the Board at least once every 3 (three) years.
2. In case of any changes in the provisions of the Act, the Listing Regulations or any other regulation which are inconsistent with the Policy, such amended provisions would prevail over the Policy.
3. The Company Secretary and Chief Financial Officer are jointly authorized to proposed matter to amend this Policy to be made consistent with the prevailing provisions of the Act and the Listing Regulations, which shall be placed before the Audit Committee and Board for their approval.
4. In case of any interpretation issue on any matter relating to this Policy, the Audit Committee/ Board shall refer the same for legal opinion.

8. GENERAL

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to the chairman of the Committee. In all such matters, the interpretation and decision of the chairman shall be final. The Company reserves the right to modify, cancel, add, or amend any clause of this Policy as set out above.