



JAINEX AAMCOL LIMITED

Registered & Works Office: L-3, MIDC Industrial Area, P.O. Chikalthana, Aurangabad-431 006,
INDIA

CIN: L74999MH1947PLC005695

MSME: UDYAM-MH-04-0000296

Policy on dealing with Related Party Transactions

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 per the applicable laws and regulations including the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, including amendments or modifications thereof. The policy sets forth the nature of related party transactions, approvals and disclosure requirements. The Board of Directors of the Company may amend this policy from time to time.

Definitions

- i. "Act" means Companies Act, 2013, including any amendment thereof from time to time, to be read with rules made thereunder.
- ii. "Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of the Act and LODR Regulations 2015.
- iii. "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
- iv. "Board" means Board of Directors of the Company
- v. "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- vi. "Company" means Jainex Aamcol Limited.
- vii. "Key Managerial Personnel" means key managerial personnel as defined under the Act and the Indian Accounting Standards (Ind AS), as the case may be, and includes:
 - a. the Chief Executive Officer or the Managing Director or the Manager;
 - b. the Whole-time Director;
 - c. the Company Secretary;
 - d. the Chief Financial Officer; and
 - e. 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;
- viii. "LODR Regulations 2015" means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, including any amendment thereof from time to time.



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- ix. "Material Related Party Transaction" means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1000 crore or ten percent of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower. However, a transaction involving payments made to a related party with respect to brand usage or royalty 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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- x. "Ordinary course of business" means a usual transaction if it is entered into in relation to provision of goods or services in which the Company regularly deals or where the transaction is in respect of goods or services in which the counter party normally deals, and the Company repeatedly enters into such transactions for the purpose of its business or the transaction is necessary, normal and incidental to business. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines
- xi. "Policy" means this Related Party Transaction Policy.
- xii. "Related Party" with reference to the Company means: a. a related party as defined under section 2(76) of the Act; or b. a related party as defined under the applicable accounting standards; or c. a related party as defined under regulations 2(zb) of LODR Regulations 2015.
- xiii. "Related Party Transaction" means a transaction, between the Company and its Related Party, is a related party transaction as ascribed under Regulation 2(zc) of LODR Regulations 2015.
- xiv. "Relative" means relative as defined under the Act read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014, including any amendment thereof from time to time.

Policy on Related Party Transactions

A. Identification of Related Parties

Before the start of each financial year, the Company shall identify a list of 'Related Parties' in accordance with the definition given in LODR Regulations, 2015 containing the names of individuals and entities. The identification would be carried out based on the disclosures received from Directors / Key Managerial Personnel / Shareholders of the Company and by reviewing the shareholding, the Group structure including holding, subsidiaries, associate and Joint Ventures of the Company. The list of related parties shall be reviewed quarterly jointly by the Financial Controller and Company Secretary. Any changes in the list during the financial year shall be made as and when the Company receives information in this regard from the Directors, Key Managerial Personnel, Shareholders and change in the Group structure. Each Director and Key Managerial Personnel of the Company is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him/her or his/her



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relative, including any additional information about the transaction that the Board or Audit Committee may request.

B. Identification of Related Party Transactions

The Company would collate list of Related Party Transactions as follows:

- Continuing Related Party Transactions as per the disclosure made in its financial statements.
- Transactions which are likely to be entered into with each Related Party and estimated value of such transactions before the beginning of each financial year to obtain necessary approvals in accordance with this Policy. Any member of the Audit Committee or Board who is directly or indirectly interested in any Related Party Transaction shall recuses himself and abstain from participating in the discussion and voting for such item under consideration by Audit Committee and Board, as the case may be.

C. Approval of the Related Party Transactions

In addition to certain transactions with Related Parties which shall not be considered as Related Party Transactions, the following transactions shall not require approval of the Audit Committee or Shareholders:

- i. Transactions between the Company and its wholly owned subsidiaries whose accounts are consolidated with those of the Company's and placed before the shareholders at the general meeting for approval;
- ii. Transactions between two wholly owned subsidiaries of the Company whose accounts are consolidated with those of the Company's and placed before the shareholders at the general meeting for approval.

(I) Prior Approval of the Audit Committee

All Transactions entered with Related parties and any subsequent Material modification to a Related Party Transaction shall be undertaken only after prior approval of Audit Committee. The Audit Committee shall be provided with the requisite information for approval of each Related Party Transaction. Further, only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

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:

- i. The Audit Committee shall lay down the criteria as approved by the Board for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- iii. Such omnibus approval shall specify:
 - a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;



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- b) the indicative base price / current contracted price and the formula for variation in the price, if any; and
- c) such other conditions as the Audit Committee may deem fit. Further, 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 Rs. 1 crore per transaction.
 - i. 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.
 - ii. Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of one year.
 - All Transactions proposed to be entered into by the Company with Related parties will be put up for approval of Audit Committee on regular basis. (Section 177 4 (iv) of the Act).
 - The management proposal for the related party transaction will include all material particulars of the proposed transaction and a detailed analysis and justification/rationale for entering into a related party transaction as compared to a transaction with a non- related party.
 - The proposal will also state whether the transaction is of a routine nature or a one-off transaction.
 - In each case, the management proposal will include analysis as to whether the transaction price is at an arm's length. The proposal may be supported by any third-party evaluation or certification in that behalf.

(II) Prior Approval of the Board of Directors

All transactions with related parties within the scope of Section 188 of the Act, which are either not in the ordinary course of business or are not at Arm's Length shall require prior approval of the Board of Directors. In addition to the above, the following kinds of transactions with related parties shall also be placed before the Board for its approval:

- i. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e., value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- ii. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- iii. Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;
- iv. Material Related Party Transactions and any subsequent Material modification to a Related Party Transaction, which are intended to be placed before the shareholders for approval. Information in such form and manner as prescribed in the Act and/or LODR Regulations 2015 shall be provided to the Board.



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(III) Approval of the Shareholders of the Company

All Material Related Party Transactions and any subsequent Material modification to a Related Party Transaction shall require prior approval of the shareholders through Resolution. The Notice to be sent to the Shareholders to seek approval for a Related Party Transaction shall provide requisite information for each such transaction as required under both LODR Regulations 2015 and Act. In addition to the above, all kinds of transactions with related parties covered under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) 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. However, prior shareholders' approval will not be required for a transaction wherein any listed subsidiary of the Company is a party, but the Company is not a party, and regulations pertaining to Corporate Governance and Related Party Transactions as ascribed under LODR Regulations 2015 are applicable to such listed subsidiary. Also, for Related Party Transactions of unlisted subsidiaries of a listed subsidiary the prior approval of the shareholders of the listed subsidiary shall suffice.

Disclosures

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified under the SEBI LODR from time to time, and publish the same on its website: Provided further that the Company shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results: Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023. This Policy shall be disclosed on the website of the Company www.jainexaamcol.com and a web link thereto shall be provided in the Annual Report of the Company.

Review

This policy is subject to periodic review by the Audit Committee and the Board and may only be amended by a resolution of the Board.