



Jana Holdings Limited

Related Party Transaction Policy

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1. Introduction

The Reserve Bank of India (RBI), as part of their Master Directions –Non-Banking Financial Company – Systematically Important Non Deposit taking Company & Deposit taking Company (Reserve Bank) Directions 2016 requires the NBFCs to disclose the details of all material transactions with related parties on its website and also in the Annual Report.

Definitions

Related Party:

Under this Policy, the term ‘Related Party’ shall mean all persons/entities mentioned in Sec 2(76) of Companies Act, 2013(Act, 2013) read with Rule 3 of Companies (Specification of Definition Details) Rules, 2014 as well as SEBI Regulations and, include the following:

- (a) a director or his relative.
- (b) key managerial personnel or his relative;
- (c) a firm, in which a director, manager or his relative is a partner.
- (d) a private company in which a director or manager or his relative is a member or director.
- (e) 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.
- (f) 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 other than advice, directions or instructions given in a professional capacity.
- (g) any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity.
- (h) any person belonging to the promoter or promoter group and holding 20% or more of shareholding.
- (i) any company which is:
 - a holding, subsidiary or an associate company (>20% or control of business decisions under an agreement) of such company; or
 - a subsidiary of a holding company to which it is also a subsidiary.
 - an investing company or the venture of the company, whose investment in the company would result in the company becoming an associate company of the investing or venture company
 - a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to a company.

2. Relative:

Under this policy, the term ‘Relative’ would have the same meaning as defined under Sec 2(77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definition Details) Rules, 2014. Hence, the following would be considered relatives of an individual:

- a) Members of Hindu undivided family
- b) Husband or wife
- c) Father (including step-father)
- d) Mother (including step-mother)
- e) Daughter
- f) Daughter’s husband
- g) Son (including step-son)

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- h) Son's wife
- i) Brother (including step-brother)
- j) Sister (including step-sister)

Related Party Transaction (RPT):

Under this Policy, the RPT would have the same meaning as per section 188 of Act, 2013 i.e., any contract or arrangement with a Related party with respect to:

- 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) Such 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

Turnover:

The gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year. The Company being a Non-Operating Financial Holding Company may not have any turnover.

Net Worth:

The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserve created out of revaluation of assets, write-back of depreciation and amalgamation.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Companies Act, 2013 and Rules framed thereunder or any other applicable law.

3. Powers and approval process to undertake RPTs.

The Company shall follow the process mentioned in Section 188 of the Companies Act, 2013 and rules made thereunder while approving the related party transaction as briefly summarized below but not limited to the following:

- i. The company may enter into following contract or arrangement with a related party after obtaining the approval of the Board or the Shareholders as the case may be in compliance with Section 188 of the Companies Act, 2013 read with relevant rules made thereunder.
 - (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) such 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:
- ii. No member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.
 - iii. The company shall disclose the policy on dealing with Related Party Transactions on its website and in the Annual Report.
 - iv. As provided under Section 188(3) of the Companies Act, 2013, a director or any other employee may enter into any contract or arrangement, without obtaining the consent of the Board or approval by a resolution in the general meeting pursuant to Section 188(1) of the Companies Act, 2013; however the said transaction shall be ratified by the Board or by the shareholders as the case may be at a meeting held within three months from the date on which such contract or arrangement was entered into.
 - v. Transactions which are at arms' length and ordinary course of business may be entered without the approval of the Board and the Shareholders. However, the approval of the Audit Committee shall be obtained for entering into such transaction.
 - vi. Requirement of approval of Audit Committee shall not apply to a transaction, other than a transaction referred to in section 188, between a holding company and its wholly owned subsidiary company.
