



Jana Holdings Limited

Related Party Transaction Policy/Policy on materiality of Related Party Transaction

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Confidentiality Level	Internal

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.

The Company, being High Value Debt listed Company has framed and implemented the Policy pursuant to the requirement of Regulation 23 (1) of the Listing Regulations which was first approved by the Board of Directors as on September 23, 2021.

The Board, on the recommendation of the Audit Committee, has adopted this Policy along with associated procedures for regulating Related Party Transactions, in line with the requirements of the Act and Listing Regulations. However, to accommodate the recent amendments made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Audit Committee recommended revision of the said policy and the same was approved by the Board of Directors at the meeting held on May 30, 2022.

The Policy seeks to define a mechanism to handle Related Party Transactions (“RPT”) in order to ensure the transparency, substantive and procedural fairness of such transactions and that the RPT is being entered in accordance with provisions of applicable laws.

The Policy also seeks to provide guidance on identification of related parties and basis on which materiality of RPT will be determined and the proper conduct and documentation of all RPT.

This Policy is intended to ensure that proper review, approval, monitoring, reporting and disclosure processes are in place for all transactions between the Company and its Related Parties. The Policy specifically provides the review and approval mechanism of Related Party Transactions keeping in mind the potential or actual conflict of interest that may arise as a result of such transactions.

2. DEFINITIONS

- i. “Act” means The Companies Act, 2013, as amended from time to time and the rules made thereunder;
- ii. “Audit Committee” means Audit Committee of Board of Directors of the Company constituted under Section 177 of the Act, Regulation 18 of the Listing Regulations and RBI Requirement;
- iii. “Annual Consolidated Turnover” is defined as Total Income (i.e. Interest earned plus Other Income) of the last audited Consolidated Financial Statements of the Company.
- iv. “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;
- v. “Company” means Jana Holdings Limited.
- vi. “Board” means Board of Directors of the Jana Holdings Limited.
- vii. “Board’s or Directors’ Report” means the Report referred under Section 134(3) of the Act;
- viii. “Director” means a person appointed to the Board of the Company.
- ix. “Key Managerial Personnel” shall have the same meaning as defined under Section 2(51) of the Act;
- x. “Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- xi. "Material modification(s)" shall mean and include any modification to an existing related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.
- xii. "Material Related Party Transaction(s)" shall have the same meaning as defined under Explanation to Regulation 23(1) and Regulation 23(1A) of the Listing Regulations, which is as under:

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, 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 transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5 (five) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

- xiii. "Policy" means policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.
- xiv. "Related Party(ies)" 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.

- (j) "Related Party Transaction(s) or RPTs" 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:
- Sale, purchase or supply of any goods or materials.
 - Selling or otherwise disposing of, or buying, property of any kind.
 - Leasing of property of any kind.
 - Availing or rendering of any services.
 - Appointment of any agent for purchase or sale of goods, materials, services or property.
 - Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - Underwriting the subscription of any securities or derivatives thereof, of the company
- (k) "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:
- Members of Hindu undivided family
 - Husband or wife
 - Father (including step-father)
 - Mother (including step-mother)
 - Daughter
 - Daughter's husband
 - Son (including step-son)
 - Son's wife
 - Brother (including step-brother)
 - Sister (including step-sister)

- (l) **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.

- (m) **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 Listing Regulations or any other applicable law.

3. APPLICABILITY

The Policy document applies to approval and reporting of related party relationships and transactions between a reporting enterprise, i.e., the Company and its related parties.

THRESHOLD LIMITS FOR DEALING WITH RELATED PARTY TRANSACTIONS

Sl. No.	Nature of transaction with a related party	Threshold limit till which related party transaction can be carried out with Board approval	Threshold limit till which related party transaction can be carried out with shareholders' approval (*)
1.	Sale, purchase or supply of any goods or materials, directly or through appointment of agent	Upto 10% of the turnover or Rs. 100 crores, whichever is lower	No upper limit
2.	Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent	Upto 10% of net worth or Rs. 100 crores, whichever is lower	No upper limit
3.	Leasing of property of any kind	Upto 10% of the turnover or 10% of net worth or Rs. 100 crores, whichever is lower	
4.	Availing or rendering of any services, directly or through appointment of agent	Upto 10% of the turnover or Rs. 50 crores, whichever is lower	No upper limit
5.	Appointment of any agent for purchase or sale of goods, materials, services or properties	As stated under (1) or (2) or (3) or (4), whichever is applicable	No upper limit
6.	Related Party's appointment to any office or place of profit in the company its subsidiary company or associate company	Monthly remuneration upto Rs. 2,50,000	No upper limit
7.	Underwriting the subscription of any securities or derivatives thereof of the Company	Upto 1% of net worth	No upper limit
8.	Payment towards brand usage or royalty	Upto 5% of Annual Consolidated Turnover	No upper limit

Shareholders may specify maximum permissible limit upto which transaction with a respective related party may be carried out in a financial year, in the event whereof such permissible limit will be reckoned as threshold limit for the purpose of this policy.

Note:

- a) Threshold limit shall be determined per year basis.
- b) 'Net worth' or 'Consolidated Turnover' or 'Turnover', wherever specified shall refer to respective figures as per last audited financial statement.

5. REVIEW AND APPROVAL FOR RELATED PARTY TRANSACTIONS

a. Audit and Compliance Committee

Unless otherwise stated in this Policy or exempted under applicable laws, all Related Party Transactions shall require prior approval of the Audit and Compliance Committee.

Provided that only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

In cases where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit and Compliance Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

Any member of the Audit Committee, who has a potential interest in any Related Party Transaction, shall recuse himself or herself and abstain from discussion or voting on the approval or ratification of such Related Party Transactions.

The Audit Committee or the Board shall, in respect of the related party transactions referred to them for approval, shall after considering the materials and information placed before them; judge if the transaction is in the ordinary course of business and at arm's length basis.

The Audit Committee shall also review the statement of significant related party transactions as submitted by the senior management.

b. Board of Directors

The following Related Party Transactions shall require approval of the Board of Directors of the Company in addition to the approval of the Audit Committee and Shareholders, if applicable:

- i. RPTs referred by Audit Committee;
- ii. All Related Party Transactions which are not in ordinary course of business or not on arm's length basis;
- iii. All material Related Party Transactions and subsequent material modifications; and
- iv. All the transactions as specified under clause (a) to (g) of the Section 188(1) of the Act

Any director, who has a potential interest in any Related Party Transaction, shall recuse himself or herself and abstain from discussion or voting on the approval or ratification of such Related Party Transactions.

c. Shareholders' approval

The following Related Party Transactions shall require approval of the members of the Company, by way of Ordinary Resolution, in addition to the approval of the Board of Directors and Audit Committee:

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- i. Related Party Transactions which are not in ordinary course of business or not on arm's length basis and which crosses threshold limit as prescribed under Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time; and
- ii. All material Related Party Transactions and subsequent material modifications;

Provided that no member of the Company shall vote on such ordinary resolution to approve aforesaid transaction(s) if such member is a related party.

The Company shall provide following information to the shareholders for consideration of RPTs:

The notice being sent to the shareholders seeking approval for any proposed RPT shall include the disclosure requirements under the Companies Act, 2013 and Listing Regulations

6. RELATED PARTY TRANSACTIONS WITHOUT THE PRIOR APPROVAL UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

Where any contract or arrangement, which is considered as a Related Party Transaction exclusively as per Section 188(1) of the Act, is entered into by a director or any other employee, without obtaining the consent of Audit Committee or the Board or the shareholders of the Company, such transaction shall be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into and if approval is not sought within the said period, the such transaction shall be voidable at the option of the Board or, as the case may be, of the shareholders.

A transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy.

The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation of the transaction, seeking approval of the shareholders, payment of compensation for the loss suffered by the related party, etc.

In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy subject to the provisions of applicable laws.

DISCLOSURE AND REPORTING REQUIREMENTS

a. Regulatory Disclosures

The Details of all material Related Party Transactions shall be disclosed to the Stock Exchanges on quarterly basis along with compliance report on Corporate Governance.

Further, the Company shall submit to the stock exchange(s), disclosures of Related Party Transactions along with standalone financial results for the half year in the format specified by the Securities and Exchange Board of India and publish the same on its website of the Company.

The Policy shall be available on the website of the Company and a weblink thereto shall be provided in the Annual Report.

b. Statutory Disclosures

Particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under fourth proviso thereto entered with Related Parties shall be referred to in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements. The disclosures should be made in Form AOC-2 as prescribed under the Act and shall be annexed to the Board's Report.

The aforesaid disclosure shall made in case if contracts or arrangements or transactions entered by the Company with its related parties, in terms of Section 188(1) of the Act, were not at arm's length basis or such transactions were material and at arm's length. The Company shall also disclose the materially significant related party transactions that may have potential conflict with the interests of the Company at large.

c. Accounting Standard Related Disclosures

The Company shall follow the provisions and make necessary disclosure prescribed under IND – AS 24 in the financial statements.

9. EXEMPTION FROM APPLICABILITY OF THE POLICY

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this Policy shall not apply to the following Related Party Transactions, which shall not require separate/additional approval under this Policy:

- Any transaction pertaining to remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board.
- The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - o Payment of Dividend
 - o subdivision or consolidation of securities;
 - o issuance of securities by way of a rights issue or a bonus issue;
 - o buy-back of securities.
- Acceptance of fixed deposits at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related

party transactions every six months to the stock exchange(s), in the format as specified by the Board:

- Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board or CSR Committee as may be applicable.

10. RECORD KEEPING

All documentation pertaining to the Related Party Disclosure including declaration from directors, registers maintained by Corporate Secretarial Department/Function and such other records and evidence shall be maintained for a period of 8 years or such other period as specified by any other law in force, whichever is higher.

11. REVIEW AND REVISION

The Board shall review this Policy as and when needed or at least once in three years and may make necessary modification or changes in this policy.

Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of the provisions of the Act and/or the Listing Regulations and any other applicable law dealing with related party transactions, such applicable law in force from time to time shall prevail over this policy.

Annexure 1 – Pictorial Representation of the Approval Matrix


