



JET INFRAVENTURE LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

INTRODUCTION:

The Company is committed to practice maximum transparency in the conduct of Related Party Transactions in synchronization with its Corporate Governance philosophy based on the objective of continuing ethical conduct in fulfilling its responsibilities and recognizes that Related Party Transactions can present a risk of actual or apparent conflicts of interest of the Directors and Senior Management personnel with the interest of the Company.

The Board of Directors (the "Board") of Jet Infraventure Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. This policy is to regulate transactions between the Company and its Related Parties based on the applicable and regulations as applicable to the Company and also provides for materiality of Related Party Transactions.

SCOPE AND PURPOSE:

The Companies Act, 2013, the Rules framed thereunder (the 'Act') and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time contain detailed provisions on Related Party Transactions ('RTP').

This Policy has been framed as per the requirements of the Regulation 23 of the listing regulations and is intended to ensure proper approval and reporting of the concerned transactions between the Company and its Related Parties in the best interest of the Company and the stakeholders and in compliance with the applicable laws and regulations.

The Policy has been designed to ensure the transparency of approval process and disclosures requirements for fairness in the conduct of RPT in accordance with the applicable laws. This policy shall supplement the Company's practices applicable to or involving the transactions with related persons. Further, the Board may amend this policy from time to time as may be required.

The Audit Committee, shall review, approve and where permitted ratify the Related Party Transactions based on this Policy in terms of the requirements under the above regulatory provisions as applicable.

APPLICABILITY:

This Policy shall be effective from April 01, 2019 and shall be applicable to transactions made with:-

- a. Board of Directors & their Relatives
- b. Key Managerial Personnel (KMP) of the Company and their Relatives, and
- c. Other Related Parties, as defined hereinafter.

DEFINITIONS:

"Act" means the Companies Act 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

"Audit Committee" means Committee of Board of Directors of the Company constituted / re-constituted under the Act and the Listing Regulations.

"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. For determination of Arm's Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

"Associate Company" means any other company, in which the Company has a significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture company.

Explanation – For the purpose of this clause, "significant influence" means Control of at least Twenty percent of total voting power, or control of or participation in business decisions under an agreement.

"Board" shall mean Board of Directors of the Company.

"Control" means control as defined under section 2 (27) of the Companies Act, 2013 which includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner

"KMP" shall mean:

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Whole - Time Director;
- iii. the Chief Financial Officer;
- iv. the Company Secretary;
- v. 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; and
- vi. such other officer as may be prescribed under the Act.

"Material Related Party Transaction" means a transaction with related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Notwithstanding the above, 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 two percent (2%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Policy" means this Policy on Related Party Transactions.

"Related Party" means related party as defined under section 2(zb) of the Listing Regulation and Section 2(76) of the Act.

"Related Party Transaction (RPT)" means a transfer of resources, services or obligations between Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transaction in a contract. [2(zc) of the Listing Regulations] and,

In pursuant to Section 188 of the Companies Act, 2013, RPT means, 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.

“Relative” means Relative as defined under the Act and means anyone who is related to another, if –

- a) Members of a Hindu undivided family;
- b) Husband or wife;
- c) Father (including step-father);
- d) Mother (including step-mother);
- e) Son (including step-son);
- f) Son's wife;
- g) Daughter;
- h) Daughter's husband;
- i) Brother (including step-brother); or
- j) Sister (including step-sister).

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

THE POLICY:

- a) The Related Party Transactions should be in conformity with the prevailing rules and regulations prescribed by law.
- b) All Related Party Transactions shall be placed before the Audit Committee for prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:
 - Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - Maximum value per transaction which can be allowed;
 - Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - Review, at such intervals as the Audit Committee may deem fit, Related Party Transactions entered into by the Company pursuant to each of the omnibus approval made;
- c) The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.

- d) The omnibus approval shall contain or indicate the following: -
- Name of the related parties;
 - Nature and duration of the transaction;
 - Maximum amount of transaction that can be entered into;
 - The indicative base price or current contracted price and the formula for variation in the price, if any; and
 - Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

provided that where the need for RPT cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions provided that the value of each such transaction shall not exceed Rupees One Crore. Omnibus approval shall not be granted in respect of selling and disposing of the undertaking of the Company.

- e) All RPT specified in the Act which are not in the Ordinary Course of Business of the Company or not at Arm's Length Basis and exceed the thresholds laid down in Companies (Meeting of Board and its Power) Rules, 2014 shall be placed before the shareholders for its approval.

Notwithstanding, the RPT which cross the Materiality thresholds as defined herein shall be entered by the Company only with prior approval of shareholders of the Company, as per applicable provisions of the listing Regulations, as may be amended from time to time.

- f) All RPT, except those with any wholly owned subsidiary whose accounts are consolidated with that of the Company and are placed before the shareholders at the general meeting for approval, shall require prior approval of the Audit Committee.

- g) All material RPT shall require approval of the shareholders through Ordinary resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Provided that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved. A transaction with a related party shall be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent (as may be amended from time to time, or such other limit as may be specified under applicable laws / regulations, as the case may be) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into, either individually or taken together with previous transactions during a financial year, exceeds two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- h) Subject to the applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the RPT, which are not in accordance with this Policy. In case such ratification is not obtained, such transactions will be voidable at the option of the Board.

IDENTIFICATION OF RELATED PARTIES:

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

Every KMP shall be responsible for providing a declaration containing the following information to the Company Secretary on an annual basis and whenever there is a change in the information provided:

1. Names of his/her Relatives;
2. Partnership firms in which he/she or his/her Relative is a partner;

In addition, all Directors, KMP, officers authorised to enter into contracts / arrangements will be responsible for providing prior notice to the Company Secretary of any potential RPT, including any additional information about the transaction that the Audit Committee / Board may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Besides the above, the Company will also identify other Related Parties as required under the Act and Listing Regulations as may be applicable.

IDENTIFICATION OF POTENTIAL RELATED PARTIES TRANSACTIONS:

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative, including any additional information about the transaction that the Board / Audit Committee may reasonably require. Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with the Policy.

The Company strongly advocates receipt of such notice of any potential RPT well in advance so that the Audit Committee / Board has adequate time to obtain and review information about the proposed transaction.

✚ FACTORS TO BE CONSIDERED BY THE BOARD / AUDIT COMMITTEE IN APPROVING A RELATED PARTY TRANSACTION:

While considering any related party transaction, the Board / Audit Committee will take into account all relevant facts and circumstances:

1. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
2. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
3. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction;
4. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or KMP of the Company.
5. Subsequent events (i.e. events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, the benefits to the Company and to the Related Party and any other relevant matters.

✚ WHAT IS NOT A RELATED PARTY TRANSACTION? (TRANSACTIONS THAT ARE EXEMPTED):

The transaction entered into by the company is:

In ordinary course of business (this is not a defined term in the Act and will have to be interpreted on a case to case basis) i.e. a business as stated in main object(s) clause of the Memorandum of Association of the Company and should be a business which is usual or customarily carried on by the company at regular intervals;

On arm's length basis i.e. a transaction between two related parties that is conducted as if they were unrelated or in other words at competitive market rates prevailing, so that there is no conflict of interest. The price and other terms in the contract with the Related Party are to be similar as would be applicable to any third party.

✚ RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of 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. The 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 such action it deems appropriate.

In any case, where the Committee decides not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has the authority to modify or waive any procedural requirements of this Policy.

✚ DISCLOSURES:

Pursuant to the provisions of Regulation 23(9) of the Listing Regulations, the Company shall submit to the stock exchange within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures regarding related party transactions on a consolidated basis in the format specified in the relevant accounting standards for annual results and publish the same on its website.

 **DISSEMINATION**

Pursuant to Regulation 46 of the Listing Regulations, this Policy and any amendment thereto shall be posted on the website of the Company and a web link thereto shall be provided in the Annual Report.

 **POLICY REVIEW**

This policy may be amended and modified from time to time to ensure compliance with any modification and amendment to the Listing Regulations or as may be otherwise prescribed by the Audit Committee / Board from time to time.