



JMC Projects (India) Limited

Policy on Related Party Transactions

(Amended w.e.f. April 01, 2022)

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JMC PROJECTS (INDIA) LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

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Original Policy adopted	Effective from February 05, 2015
First amendment	Effective from April 01, 2019
Second Amendment	Effective from May 10, 2021
Third Amendment	Effective from April 01, 2022

The Policy is authenticated by the following persons.

Name	Signature
Mr. Shailendra Kumar Tripathi CEO & Managing Director	Sd/-
Mr. Azad Shaw Chief Financial Officer	Sd/-



JMC PROJECTS (INDIA) LIMITED

Policy on Related Party Transactions

1. PURPOSE

This Policy is framed as per the requirement of the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "LODR Regulations") and with a view to determine materiality and dealing with related party transactions

The Audit Committee and the Board of the Company adopts this Policy with regard to Related Party Transactions in compliance with the requirements of the LODR Regulations, the Companies Act, 2013 and applicable statutory provisions.

2. DEFINITIONS

"**Act**" means the Companies Act, 2013 and Rules made thereunder, for the time being in force and as may be clarified, amended, re-enacted from time to time.

"**Board**" means the collective body of the Directors of the Company.

"**Committee**" or "**Audit Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under the provisions of the Companies Act, 2013 or the previous Company law and the Listing Regulations.

"**Company**" means "JMC Projects (India) Limited" or also referred to as "JMC."

"**Director**" means a person appointed as Director on the Board of the Company.

"**KMP**" or "**Key Managerial Personnel**" means person as defined in Section 2(51) of the Act, as amended from time to time.

"**Material Modification**" includes the modifications to the approved Related Party Transactions as under:

- Change by way of increase or decrease in the value of transaction exceeding 10 percentage of original transaction or Rs. 1 Crore, whichever is higher

- Change in terms & conditions of the transactions, notional monetary value of which exceeds 10 percentage of the original value of transaction or Rs. 1 Crore, whichever is higher
- Change that results in transaction to become a non-arm's length transaction

"Policy on Related Party Transactions" or "this Policy" or "RPT Policy" means this Policy as recommended by the Audit Committee and as approved by the Board of the Company and also includes Policy on determining Material Subsidiaries.

"Related Party Transaction" or "RPT" shall have the meaning ascribed to it under the LODR Regulations and applicable Accounting Standards including all amendments and modifications thereof from time to time.

"Related Party" shall have the meaning ascribed to it under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards including all amendments and modifications thereof from time to time.

"Senior Management" means officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 and the rules and regulations made thereunder, Accounting Standards and applicable laws, to the extent relevant in connection with this Policy, as the case may be or in any amendment thereto. Where any stipulation is common between the applicable Laws, more stringent of them shall be complied with.

3. EFFECTIVE DATE OF THE POLICY

On recommendation of the Audit Committee, the Board had approved the Original Policy at its meeting held on February 05, 2015.

The Audit Committee of the Company had recommended and the Board had approved the first amendment to the Policy at their respective Meeting held on January 31, 2019 to incorporate the requirements of the Act and the LODR Regulations, which was made effective from April 01, 2019.

The Audit Committee of the Company had recommended and the Board has approved the second amendment to the Policy at their respective Meeting held on May 10, 2021, which was made effective from May 10, 2021.

The Audit Committee of the Company had recommended and the Board has approved the third amendment to the Policy at their respective Meeting held on February 10, 2022. This revised Policy shall come into effect from April 01, 2022. This Policy will supersede the provisions of the earlier Policy approved by the Board on May 10, 2021.

4. DEALING WITH RELATED PARTY TRANSACTIONS

While approving the Related Party Transactions, the Audit Committee and the Board shall keep in view and be guided by the following aspects with fair weightage:

- a) Ensure fairness in the conduct of Related Party Transactions.
- b) Pricing or basis to arrive on pricing should be at relevant market conditions or on arm's length basis, unless the same is justified by the management and with reasons recorded, keeping in view strategic business plan or medium to long term benefits expected to the Company.
- c) Terms of Related Party Transactions should be in overall interest of the Company or meet the business requirements of the Company.
- d) Proposal of Related Party Transactions should be discussed and deliberated keeping in mind relevant details, material terms and long term business interest of the Company.
- e) Range, quantity, quality, experience, technical knowhow and competency of Related Parties and future plan and prospective business requirement of the Company.
- f) Practice being followed in similar industry and sector specific requirement, to the extent known.
- g) Related Party Transactions should be in compliance with the applicable statutory provisions with appropriate disclosures and transparency to ensure good governance.

5. MATERIALITY OF RELATED PARTY TRANSACTIONS

5.1 Materiality of RPT

A transaction with a Related Party shall be considered as "Material Related Party Transaction", if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 (one thousand) crore or 10% (ten) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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 5% (five) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

5.2 Approval for Material Related Party Transactions

All "Material Related Party Transactions" and subsequent material modification shall require prior approval of the shareholders of the Company through a resolution which may be passed at the general meeting or through postal ballot. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Proposal for entering into Material Related Party Transaction shall be placed before the Audit Committee with relevant details and after the approval by the Independent Directors of the Audit Committee and by the Members of the Board, such proposal shall be referred for approval of the shareholders through resolution.

6. PRIOR APPROVAL OF THE AUDIT COMMITTEE

6.1 Approval by Audit Committee

Proposal of entering into transaction(s) with Related Parties and any subsequent material modification thereof shall be placed before the Audit Committee with relevant details for prior approval.

A related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.

With effect from April 01, 2023, a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the LODR Regulations are applicable to such listed subsidiary of the Company.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary of the Company as referred to above, the prior approval of the audit committee of the listed subsidiary shall suffice.

The Audit Committee shall consider, discuss and review all relevant aspects, justification, details or reports presented by the management. Only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

While considering the Related Party Transactions, the Audit Committee shall consider, *inter-alia*, on the following factors.

- a) Name of the Party and details explaining nature of relationship;
- b) Duration of the contract and particulars of the contract and arrangement;
- c) Nature of transaction and material terms thereof including the value, if any;
- d) Whether the terms of the Related Party Transaction are fair and on arms' length basis and would apply on the same basis if the transaction did not involve a Related Party;
- e) Details as may be necessary to review as per the provisions of the LODR Regulations and Companies Act, 2013 etc.

6.2 Omnibus approval by Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions on following broad criteria.

- a) Transactions should be repetitive in nature.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- c) Such Omnibus Approval shall specify the following.
 - i. the name(s) of the Related Party, nature, period and maximum amount of the transaction(s).
 - ii. the indicative base price / current contracted price and formula for variation in the price, if any; and
 - iii. such other conditions as the Audit Committee may deem fit.

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.

The 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 approvals given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

7. REVIEW / APPROVAL BY THE COMMITTEE / BOARD

Where approval of the Committee / Board of Directors is required for any related party transaction or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall review and approve the transaction, with such modification as may be necessary or appropriate under the circumstances. Any member of the Committee / Board who has any interest in any Related Party Transaction will rescue himself / herself and abstain from discussion and voting on the approval of the Related Party Transaction.

8. APPROVAL OF SHAREHOLDERS

In following cases, Related Party Transactions shall be proposed to the shareholders of the Company for their prior approval by passing resolution.

- a) Material related party transactions and subsequent material modification, as per provisions referred in this Policy/LODR Regulations;
- b) When approval from the shareholders is mandatory as per applicable provision of the Act or applicable laws.

No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the LODR Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

9. EXCEPTIONS

The approval of Audit Committee / Board of Directors / Shareholders under this Policy shall not be applicable in following cases:

- a) Transaction entered into by the Company with its wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, if –
 - (i) the transaction is in the Company's ordinary course of business and the same is on an arm's length basis; or
 - (ii) the transaction pertains to making investment in or granting of loan or issuance of guarantee or security on behalf of such wholly owned subsidiary.
- b) 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.
- c) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- d) Payment of Dividend.
- e) Transactions involving corporate restructuring such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the SEBI (LODR) Regulations, 2015 or other applicable provisions.
- f) Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR Committee.
- g) Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board.
- h) 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.

10. CLARIFICATION AND REVIEW OF THE POLICY

As per instruction and in consultation with the Audit Committee, KMP may issue clarification for effective and smooth implementation of the Policy.

In case of any further mandatory requirement or amendment in the Act, LODR Regulations, direction or clarification, provisions of this Policy shall be read and implemented in context of such amended or clarified positions.

11. AMENDMENT(S) IN THE POLICY

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

This Policy is framed in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “LODR Regulations”), as may be amended from time to time.

A subsidiary shall be a Material Subsidiary, if its income or net worth exceeds 10% (ten) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

This Policy shall be implemented as per the provisions of the LODR Regulations, as may be amended from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.