

**POLICY ON RELATED PARTY
TRANSACTIONS OF
JUMBO FINVEST (INDIA) LIMITED**

1. PREAMBLE & PURPOSE

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”), Jumbo Finvest (India) Limited (“the Company”) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

The board of directors (the “Board”) of the company has adopted the following policy and procedures with regard to Related Party Transactions (as defined hereinafter). The Audit Committee (as defined hereinafter) on the recommendation of the Board will review and may amend this Policy from time to time as and when required, subject to the approval of the Board.

This Policy is being brought in place to ensure that all Related Party Transactions undertaken by the Company are in compliance with and abide by applicable laws and it provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. DEFINITIONS

“**Act**” means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

“**Arm’s Length basis**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” means committee of Board of Directors of the Company.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company.

“**Company**” means Jumbo Finvest (India) Limited.

“**Key Managerial Personnel**” means the Key Managerial Personnel of the Company in terms of the Act.

“**Material Related Party Transaction**” means a Related Party Transaction which individually or taken together with previous transactions during the financial year, such limits as may be prescribed in the Companies Act, 2013, from time to time.

“**Policy**” means the current Policy on Related Party Transactions, including amendments, if any, from time to time.

“**Related Party Transaction**” means any transaction between the Company and a Related Party as defined under the Act and the rules frames hereunder.

“**Related Party**” means a related party as defined under the Act and the rules frames hereunder.

“**Transaction**” with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

The terms **Director, Chief Financial Officer, Company Secretary**, shall have the same meaning as assigned under the Companies Act, 2013.

3. POLICY

The Audit Committee shall review and approve all Related Party Transactions based on this Policy. All proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre – approval / omnibus approval, details whereof are given in a separate section of this Policy. In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

3.1 Identification of Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing notice to the company secretary of any potential or proposed Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. It is hereby clarified that such notice by the relevant Director or Key Managerial Personnel shall be sent prior to such Related Party Transaction being approved to the Audit Committee so as to assist the Audit Committee in determining to grant approval for the said Related Party Transaction. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. In the event a Director or Key Managerial Personnel, as the case may be, fails to provide prior notice as required in this Clause, the Related Party Transaction shall be rescinded/terminated by the Company.

3.2 Review and approval of Related Party Transaction:

The Company shall not enter into any Related Party Transaction except as stated hereinafter.

3.2.1 Transactions requiring approval of Audit Committee:

a) Every Related Party Transaction shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards.

Provided that the transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require prior approval of the Audit Committee.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the

conditions contained in the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

b) The Audit Committee shall also review the statement of significant Related Party transactions submitted by management as per its terms of reference.

c) Any member of the Committee who has a potential interest in any Related Party Transaction shall not remain present at the meeting when such Related Party Transaction is considered.

3.2.2 Transactions requiring approval of Board of Directors of the Company:

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above under Paragraph 3.2.1 shall apply to the review and approval of the matter by the Board of Directors, with such modifications as may be necessary or appropriate under the circumstances.

Where any director is interested in any Related Party Transaction, such director shall not remain present at the meeting when Related Party Transactions is considered. Further, all such Related Party Transactions exceeding the threshold limits prescribed in the Act shall also require prior approval of shareholders of the Company and Related Party/ies shall abstain from voting on such resolution.

3.2.3 Transactions requiring approval of Shareholders of the Company:

All the transactions with related parties meeting the materiality thresholds, laid down in the Act are placed before the shareholders for approval. For this purpose, all entities falling under the definition of related parties shall abstain from voting respective of whether the entity is a party to the particular transaction or not. In addition to the above, all kinds of transaction specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

4. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- i. In the event the Company becomes aware of a transaction with a Related Party, which is regulated under the Act or which is not on Arm's Length Basis or not in the Ordinary Course of Business or that has not been approved or is not in accordance with the delegation approved under this Policy, such transaction shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding such Related Party

Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. 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 failure of the internal control systems, and shall take any such action it deems appropriate.

- ii. In any case, where the Audit Committee determines 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, discontinuation of the transaction or seeking the 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 authority to modify or waive any procedural requirements of this Policy.

5. POLICY SEVERABLE

- i. This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any Applicable Law, statute or regulation, the same shall be severable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.
- ii. This Policy will be communicated to all operational employees and other concerned persons of the Company and shall be placed on the website of the Company at <http://www.jumbofin.com/>.

Approving Authority	Board of Directors
Date of Approval/Review/Adoption	23.04.2018