

POLICY ON RELATED PARTY TRANSACTIONS

SCOPE AND PURPOSE OF THE POLICY

Considering the requirements for approval of related party transactions as prescribed under the Companies Act 2013 (Act) read with rules framed there under and clause 49 of the Listing Agreement, Jyoti Structures Limited (JSL) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, JSL has framed a policy on related party transaction (policy). This policy has been adopted by the Board of Directors of the Company based on recommendations of Audit Committee, which would review and amend the policy, as and when required, subject to the approval of the Board.

OBJECTIVE OF THE POLICY

The objective of this policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

1. All Related Party Transactions must be reported to the Audit Committee and referred for prior approval by the Committee in accordance with this Policy.
2. All transactions specified under Section 188 of the Act, which are not in the ordinary course of business and at arm's length basis, shall be subject to approval of the Board and / or shareholders.
3. Any transaction, contract or arrangement entered into by the Company with a Related Party, without obtaining the consent of the Board of Directors or approval of shareholders by a Special Resolution of the General Meeting, can in genuine cases be ratified by the Board of Directors or the shareholders at a General Meeting, as permitted in the Act.
4. Approvals 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 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 on behalf of such wholly owned subsidiary

- b. Any transaction that involves the providing of compensation to a director in connection with his or her duties to the Company
 - 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.
5. Every transaction, contract or arrangement entered into with Related Parties shall be
- a. referred to in the Report of the Board of Directors to the shareholders along with the justification for entering into such transaction, contract or arrangement; and
 - b. disclosed to the stock exchanges quarterly along with compliance report on Corporate Governance