



**JARO INSTITUTE OF TECHNOLOGY MANAGEMENT AND RESEARCH LIMITED**

**CIN: U80301MH2009PLC193957**

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**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING  
WITH RELATED PARTY TRANSACTIONS**

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**Jaro Institute of Technology Management and Research Limited**

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## **Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions**

(Reviewed and approved by the Board of Directors of the Company on 27<sup>th</sup> July, 2024)

The Board of Directors of Jaro Institute of Technology Management and Research Limited (the “**Company**”), had adopted the policy on dealing with Related Party Transactions of the Company in compliance with the provisions of the Companies Act, 2013, and the rules made thereunder (the “**Act**”) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “**LODR Regulations**”).

Recent amendments introduced pursuant to the LODR Regulations, have necessitated amendments to the Policy of the Company in dealing with its Related Party Transactions. Accordingly, the Board of Directors has approved and adopted this policy.

1. Subject to the provisions of Section 177 of the Companies Act 2013, prior approval of the Audit Committee shall be required for all Related Party Transactions other than those transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval (hereinafter referred to as the “**Exempted Wholly Owned Subsidiaries**”).

2. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions;

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:

- i. Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- ii. Maximum value per transaction which can be allowed;
- iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- iv. 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;
- v. Transactions which cannot be subject to the omnibus approval by the Audit Committee.

3. 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.

4. The omnibus approval shall contain or indicate the following: -

- i. Name of the related parties;
- ii. Nature and duration of the transaction;
- iii. Maximum amount of transaction that can be entered into;
- iv. The indicative base price or current contracted price and the formula for variation in the price, if any; and
- v. Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

5. Transactions of the following nature are not to be subjected to the omnibus approval mechanism:

- i. Transactions in respect of selling or disposing of the undertaking of the Company.
- ii. Any other transaction as may be specified by the Audit Committee.

6. Such omnibus approval accorded pursuant to this policy shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

7. 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.

8. In the event any related party transaction is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or the shareholders, as applicable.

9. All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries, shall require approval of the shareholders through 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) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other limit as may be specified under applicable laws / regulations, as the case may be.

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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

The Board shall review this Policy once every three years and make suitable modifications, as may be necessary.