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JUPITER WAGONS LIMITED

CIN: L28100MP1979PLC049375

Policy on Related Party Transaction and Materiality of Related Party Transaction

1. Preamble

The Board of Directors (referred to as "**the Board**") of Jupiter Wagons Limited (hereinafter referred to as "**JWL**" or "**the Company**") has established the Related Party Transaction Policy. This policy serves as a framework to oversee transactions between the Company and its related parties, in adherence to applicable laws and regulations. It is designed in accordance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and section 188 of the Companies Act, 2013.

SEBI mandates every listed company to develop a policy addressing the materiality of Related Party Transactions (**RPTs**) and the procedures for dealing with them. This includes establishing clear threshold limits, which must be approved by the Board of Directors. Furthermore, the policy stipulates that the Board of Directors should review it at least once every three years and make necessary updates as required.

2. Effective Date

This policy shall be effective from the date of approval from the Board, unless stated otherwise.

3. Definition

- a) "**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.
- b) "**Audit Committee**" means the committee of Board of Directors the Company constituted in accordance with the provisions of Reg. 18 of SEBI(LODR) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.
- c) "**Related Party**" means a related party as defined under Regulation 2(1)(zb) of SEBI LODR, under section 2(76) of the Companies Act, 2013 or under the applicable accounting standards, read with amendments issued from time to time.
- d) "**Related party transaction**" means a transaction involving a transfer of resources, services or obligations between:
 - i. listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand.
 - ii. a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023.
- e) **Relative**, with reference to any person, means anyone who is related to another, if—
 - i. They are members of a Hindu Undivided Family
 - ii. The they are husband and wife
 - iii. The one person is related to the other in such manner as may be prescribed.
- f) "**Material Related Party Transaction**" means a material transaction with a Related Party as provided in the explanation under Regulation 23 of the SEBI LODR which read as under: *Regulation 23(1) inter-alia provides that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds*

rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity, whichever is lower.

Regulation 23(1A) inter-alia provides that 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 five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

4. Materiality thresholds

The Board has, in accordance with the SEBI LODR, determined that a transaction with a related party shall be considered as material if the transaction to be entered into individually or taken together with previous transactions during a financial exceeds:

- i. rupees one thousand crore or ten per cent of the annual consolidated turnover as per the last audited financial statements, whichever is lower.
- ii. five percent of annual consolidated turnover as per the last audited financial statements in case of a transaction involving payment with respect to brand usage or royalty.

The above threshold limit shall be reviewed by the Board every three years or as per any amendments prescribed under the Companies Act, 2013 or SEBI LODR as the case may be.

5. Periodic identification of Related Parties

Each Director and Key Managerial Personnel is responsible for providing Notice of Disclosure of Interest Under Section 184 of The Companies Act, 2013 along with list of Relatives to the Company. The Company shall ensure that no transaction is entered into with any entity/individual disclosed by the Director/ KMP or any other Related Party without necessary approvals.

6. Review and approval of related party transactions

a) Audit Committee:

- i. Every Related Party Transaction and subsequent material modifications shall be subject to the prior approval of the Audit Committee. Only Independent Directors who are members of the Audit Committee shall approve Related Party Transactions. The transaction for the year already approved by the Board before the enactment of this policy is not required to be approved by the committee again.
- ii. 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 SEBI LODR as amended from time to time. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

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 approval.

- i. The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as required.
- ii. With effect from April 1, 2023, the Related Party Transaction to which the subsidiary of the 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.

The approval of the Audit Committee of the Company shall not be required for the transactions entered into between the Company and its wholly owned subsidiary or 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.

b) Approval of Board of Directors

All the Related Party Transactions covered by section 188 of the Companies Act 2013 shall be approved by the Board of Directors of the Company. However, this provision will not apply to the transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

All the Material Related Party Transactions as per Listing Regulations shall be approved by the Board of Directors of the Company.

c) Approval of Shareholders

If a Related Party Transaction is (i) a material transaction or (ii) not in the ordinary course of business, or (iii) not at arm's length price and exceeds thresholds prescribed, it shall require shareholders' approval by resolution. In such case, any member of the company who is a Related Party shall not vote on resolution passed for approving such Related Party Transactions.

However, the requirement of shareholders' approval for Material Related Party Transactions shall not be applicable for the following cases:

- i. Transactions in respect of a resolution plan approved under section 31 of the insolvency and Bankruptcy Code 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved;
- ii. Transactions entered into between the company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

7. Disclosure and reporting

- a) Details of the Related Party Transactions during the quarter shall be disclosed in the Audit Committee and Board meeting.
- b) The Company shall submit to the stock exchange disclosure of related party transactions in the format specified by SEBI from time to time and publish the same on its website.

- c) In case the Company has issued high value debt securities then it shall submit such disclosure along with its standalone financial results for the half year.
- d) The Company shall make such disclosure every six months within fifteen days from the date of publication of its standalone and consolidated financial results.
- e) From April 1, 2023, the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.
- f) Director's report shall contain details of Related Party Transactions as required under the Companies Act, 2013.
- g) The Annual Report shall contain details of Related Party Transactions as required under the Companies Act, 2013 and Schedule V of SEBI LODR Regulations.

8. Exemption from applicability of the policy

This policy shall not apply to the following related party transaction and such transaction shall not require the approval of Audit Committee, Board or shareholders:

- a) where the transaction entered in to between a company and its wholly owned subsidiary or between two wholly owned subsidiaries of the Company whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b) Any transaction that involves the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of it's subsidiaries or associates.
- c) Any sale of product(s), asset(s) of the Company to any Director/ KMP/ Employee of the Company (being a related party) in terms of the Policy of the Company (applicable for consideration in monetary terms only).
- d) 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 like payment of dividend, rights/bonus entitlement, buyback etc.

9. Related party transaction not approved under this policy

In the event any Transaction has been undertaken/is being undertaken with a Related Party without obtaining requisite approval under this Policy, such transactions should be immediately reported to the Company Secretary. Such Transactions shall be reviewed by the Audit Committee in the next meeting. The Audit Committee shall be provided with all the relevant facts and circumstances for entering into such transaction with a related party. Based on the information provided, the Audit Committee shall evaluate and take such necessary steps, as it may deem fit, including Ratification, Termination or Revision of any terms of the Related Party Transaction. The Audit Committee shall keep the Board apprised of any instances of such transactions entered into with any related party in contravention of this Policy and recommend to Board for its consideration and approval.

In case the aforesaid Related Party Transaction requires the approval of shareholders, then once it is ratified by the Audit Committee, it shall be placed for ratification before the shareholders in their general meeting.

10. Review of this policy

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise. The policy shall be reviewed by the Board of Directors at least once every three years including threshold limits specified therein and updated accordingly.
