

JAY BHARAT MARUTI LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

The Board of Directors of the **Jay Bharat Maruti Limited** on the recommendation of the Audit Committee, has adopted this Policy on Related Party Transactions ('Policy'). The objective of this Policy is to regulate the transactions between the Company and its Related Parties based on the Laws and Regulations applicable to the Company. The policy lays down the framework for appropriate approval and reporting of Related Party Transactions in line with the Company's Corporate Governance Principles i.e. Trust, Transparency, Integrity and Ethical Business Practices.

DEFINITIONS

"Act" means the Companies Act, 2013.

"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.

"Associate Company", in relation to another Company, means a Company in which that other Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company.

"Audit Committee" or "Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with applicable law including the Listing Agreement and the Companies Act, 2013.

"Board" means the Board of Directors of Jay Bharat Maruti Limited.

"Company" means Jay Bharat Maruti Limited.

"Financial year" shall have the same meaning as assigned to it under sub-section (41) of Section 2 of the Companies Act, 2013;

"Joint Venture" means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

"Key Managerial Personnel" means Key Managerial Personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer; and
- (iv) Such other officer, not more than one level below the Directors who is in Whole-Time Employment, designated as Key Managerial Personnel by the Board.

“Material Related Party Transaction” means 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 the thresholds specified in Schedule XII of these Regulations.

“Net Worth” means net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013;

“Policy” means the policy on materiality of and dealing with Related Party Transactions, as amended from time to time.

“Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

“Related Party” means a Related Party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the Listed Entity;
or
- (b) any person or any entity, holding equity shares of ten per cent or more in the Listed Entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial year shall be deemed to be a Related Party.

“Relatives” with reference to any person, means anyone who is related to another, if – (i) They are members of a Hindu Undivided Family; (ii) They are husband and wife; or (iii) A person is related to the another in the following manner, namely: - (a) Father (including step -father); (b) Mother (including step- mother); (c) Son (including step-son); (d) Son’s Wife; (e) Daughter; (f) Daughter’s Husband; (g) Brother (including step-brother); and (h) Sister (including step-sister).

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- a) a 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; or
- b) 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.

regardless of whether a price is charged and a “transaction” with a with Related Party shall be construed to include a single transaction or a group of transactions in a contract.

Provided that the following shall not be a Related Party Transaction:

- (a) the 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;

(b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

i. payment of dividend; ii. subdivision or consolidation of securities; iii. issuance of securities by way of a rights issue or a bonus issue; and iv. buy-back of securities.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of Related Party Transactions every six months to the stock exchange(s), in the format as specified by the Board:

(d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

(e) retail purchases from any Listed Entity or its Subsidiary by the Directors or Key Managerial Personnel of the Listed Entity or its Subsidiary, and relatives of such Directors or Key Managerial Personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all Employees, Directors, Key Managerial Personnel and Relatives of Directors or Key Managerial Personnel

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable Laws or Regulations or any Statutory modification or re-enactment thereto, as the case may be.

IDENTIFICATION OF RELATED PARTIES & TRANSACTIONS

The Company shall identify and update the list of Related Parties as prescribed under Section 2 (76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The Company shall identify Related Party Transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company shall determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

APPROVAL OF AUDIT COMMITTEE

- All the transactions which are identified as Related Party Transactions and material modifications/ subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Act and/or SEBI Listing Regulations. The

Audit Committee shall consider all relevant factors before granting its approval to the proposed transaction.

- A Related Party Transaction to which the Subsidiary of a Listed Entity is a party but the Listed Entity is not a party, shall require prior approval of the Audit Committee of the Listed Entity if the value of such transaction exceeds the lower of the following:
 - (i) ten percent of the annual standalone turnover of the Subsidiary as per the last Audited Financial Statements of the Subsidiary; or
 - (ii) the threshold for Material Related Party Transactions of Listed Entity as specified in Schedule XII of these Regulations.
- A Related Party Transaction to which the Subsidiary of a Listed Entity is a party but the Listed Entity is not a party, and such Subsidiary does not have Audited Financial Statements for a period of at least one year, prior approval of the audit committee of the Listed Entity shall be obtained if the value of such transaction exceeds the lower of the following:
 - (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the Subsidiary; or
 - (ii) the threshold for Material Related Party Transactions of Listed Entity as specified in Schedule XII of these Regulations:

The Audit Committee may grant Omnibus Approval for Related Party Transactions which are repetitive in nature, subject to such criteria/conditions as mentioned under Regulation 23(3) of SEBI Listing Regulations and Rule 6A of Companies (Meetings of Board and its Powers) Rules, 2014 and in the interest of the Company. Such Omnibus Approval shall be valid for a period not exceeding **one year** and shall require fresh approval after the expiry of one year.

- The Audit Committee may also grant Omnibus Approval for Unforeseen Related Party Transactions in the manner specified under the SEBI Listing Regulation and in terms of Companies (Meetings of Board and its Powers) Rules, 2014
- Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to each of the Omnibus Approval given at least on a quarterly basis.
- Remuneration and sitting fees paid by the Listed Entity or its Subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of promoter Or Promoter Group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of Regulation 23 (1) of this regulation of Listing Regulation.
- The members of the audit committee, who are independent directors, may ratify Related Party Transactions within a period of three months from the date of transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- the value of the ratified transaction(s) with a Related Party, whether entered into individually or taken together, during a Financial year shall not exceed rupees one crore;
- the transaction is not material in terms of the provisions of sub-regulation (1) of this Regulation;
- rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- the details of ratification shall be disclosed along with the disclosures of Related Party Transactions in terms of the provisions of sub-regulation (9) of this Regulation;
- any other condition as specified by the audit committee:

Only those members of Audit Committee who are Independent Directors, will approve Related Party Transactions. Any member of Audit Committee having a potential interest in the proposed RPT, will recuse himself and abstain from discussion and voting on the proposal for approval of the said transaction.

APPROVAL OF BOARD OF DIRECTORS

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

Any Director having a potential interest in the proposed RPT will recuse himself and abstain from discussion and voting on the proposal for approval of the said transaction.

APPROVAL OF SHAREHOLDERS

Following Related Party Transactions shall require prior approval of the shareholders of the Company:

- Material Related Party Transactions and subsequent Material Modifications thereto.
- Transactions specified in Section 188(1) of the Act which:
 - are not in the ordinary course of business and/or not on arm's length terms; and
 - exceed the threshold specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or re-enactment thereof.
- The Omnibus Shareholders' approval of Material Related Party Transactions approved in an Annual General Meeting shall be valid till the date of the next Annual General Meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time. Further in case of Omnibus Approval for Material Related Party Transactions, obtained from shareholders in General Meetings other than Annual General Meeting, the validity of such Omnibus Approvals shall not exceed one year.

No member of the Company shall vote on the resolution to approve any transaction, if such member is a Related Party to the proposed contract or arrangement.

No Related Party shall vote to approve any transaction, whether the entity is a Related Party in the context of particular transaction or not.

EXCEPTIONS

The approval of the Audit Committee or Board or Shareholders of the Company shall not be required for the following Related Party Transactions:

- a) Transactions entered into between two Public Sector Companies;
- b) 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.
- c) Transactions entered into between two Wholly-Owned Subsidiaries of the Listed Holding Company, whose accounts are consolidated with such Holding Company and placed before the shareholders at the General Meeting for approval Also, requirements for shareholders' approval shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed.
- d) Any other transaction for which approval of the Audit Committee or Board or Shareholders, is not required or exempted under the Act, SEBI Listing Regulations or any other applicable law.

DISCLOSURE BY THE COMPANY

- Appropriate disclosures as specified under the Act and the SEBI Listing Regulations, shall be made by the Company in the Annual Report and to the Stock Exchanges.
- This Policy shall be hosted on the Company's website viz. www.jbmgroup.com and web-link of the same shall be provided in the Annual Report.
- A summarized statement of all transactions with Related Parties entered during the relevant quarter pursuant to the contracts or arrangements already approved by the Audit Committee/ Board of Directors/ Shareholders (as applicable), shall be placed before the Audit Committee and Board of Directors for their information, review & noting, at each quarterly meeting.
- The Listed Entity shall provide the Audit Committee and Shareholders with the information as specified in the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" or specified in Annexure-13A, while placing any proposal for review and approval of an RPT.

ADMINISTRATION OF THE POLICY

In case any provision of this Policy is contrary to or inconsistent with the provisions of the applicable laws, the law shall prevail.

This Policy would be subject to revision/amendment in accordance with the applicable laws. Any subsequent amendment, clarification, guidance, circular etc. in relation to the applicable laws shall prevail over this Policy and the Policy shall stand amended accordingly from the effective date as laid down by the relevant authority.

The Board of Directors will review the Policy once in every 3 years.

Any question/ clarification/ suggestion relating to this Policy may be addressed via mail to the Company Secretary and Compliance Officer of the Company.
