



RELATED PARTY TRANSACTION POLICY (amended with effect from 31.3.2025)

(letters in Bold, Underline and Italic are inserted in accordance with the amended provisions of SEBI LODR)

(Modified pursuant to the SEBI (LODR) (third Amendment) Regulations, 2024 vide SEBI Circular No. SEBI/LAD-NRO GN/2024/218 dated December 12, 2024

1. Preamble

The Board of Directors (the “Board”) of Wheels India Limited (the “Company” or “WIL”), has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee will review the policy from time to time and propose the amendment required, if any, to the Board of Directors.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

2. Purpose

This policy is framed as per requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”). It is intended to ensure there is proper approval and reporting of transactions between the Company and its Related Parties in accordance with provisions of the Companies Act, 2013 and relevant rules made thereunder (the “Act”) and SEBI LODR or any other law for the time being in force.

3. Definitions

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted in accordance with relevant provisions of the SEBI LODR and the Act

“Board” means Board of Directors of the Company

“Key Managerial Personnel or KMP” means:

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-Time Director;
- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed under the applicable statutory provisions / regulations

“Material Related Party Transaction” 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 FY, exceeds Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.”.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company

Material Modification" in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% or increase of Rs 1 crore compared to the existing approved limit (whichever is higher), in the relevant previously approved related party transaction.

“Policy” means Related Party Transaction Policy

“Related Party” means an entity shall be considered as related to the company if:

- i. such entity is a related party under Section 2(76) of the Act which are as follows:
 - i. a director or his relative;
 - ii. a key managerial personnel or his relative;

- iii. a firm, in which a director, manager or his relative is a partner;
- iv. a private company in which a director or manager or his relative is a member or director;
- v. a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- vi. any body corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- vii. any person under whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- viii. any company which is –
 - A. a holding, subsidiary or an associate company of such company;
 or
 - B. a subsidiary of a holding company to which it is also a subsidiary;
- ix. Director other than an Independent director or key managerial personnel of the holding Company or his relative with reference to a company; or
- x. any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more (10% or more, w.e.f. 01-04- 2023) in the Company either directly or on a beneficial interest basis (as provided under section 89 of the Companies Act, 2013) at any time, during the immediately preceding Financial Year.
- xi. such entity is a related party under the applicable accounting standards for the time being in force

For the purpose of the Indian Accounting Standard – 24 (Ind AS – 24), the following terms are used with the meanings specified

Related party - A related party is a person or entity that is related to the entity that is preparing its financial statements ('reporting entity')

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control of the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
 - iii. Both entities are joint ventures of the same third party
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity
 - v. The entity is controlled or jointly controlled by a person identified in (a)
 - vi. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
 - vii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

- a. that person's children, spouse or domestic partner, brother, sister, father and mother;
- b. children of that person's spouse or domestic partner; and
- c. defendants of that person or that person's spouse or domestic partner

Compensation includes all employee benefits (as defined in Ind AS 19, Employee Benefits) including employee benefits to which Ind AS 102, Share based Payments, applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Compensation includes:

- a. short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;
- b. post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- c. other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- d. termination benefits; and
- e. share-based payment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The terms 'control' and 'investment entity', 'joint control' and 'significant influence' are defined in Ind AS 110, Ind AS 111, Joint Arrangements, and Ind AS 28, Investments in Associates and Joint Ventures, respectively and are used in this Standard with the meanings specified in those Ind AS.

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

- (i) a listed entity or any of its subsidiaries and a related party of the listed entity or any of its subsidiaries
- (ii) a listed entity or any of its subsidiaries and any other person or entity, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries (w.e.f. 01-04-2023) regardless of whether a price is charged and a “transaction” with a 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 SEBI (ICDR) Regulations, 2018;

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

i. payment of dividend; ii. Sub-division 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 its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors

Provided further that this definition shall not be applicable for the units issued by MFs which are listed on a recognized stock exchange(s)

A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

“Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if:

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife;
- iii. Father (including step-father);
- iv. Mother (including step-mother);
- v. Son (including step-son);
- vi. Son's wife;
- vii. Daughter;
- viii. Daughter's husband;
- ix. Brother (including step-brother);
- x. Sister (including step-sister);

4. Approval process

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

5. Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him / her as a “Related Party” and any other additional information about the transaction that the Board / Audit Committee may reasonably require to determine whether any transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

6. Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the conditions as contained in the SEBI LODR and / or other Statutes / Rules / Regulations, as amended from time to time.

The following are the criteria for granting the omnibus approval:

- transactions entered into by the company in its ordinary course of business and on an arm's length basis
- transactions take place at prices ruling at the time of the transaction
- orders are placed by or on the related party as and when the goods and / or services are required by the related party / the Company
- annual orders are placed by or on the related party on the company where quantities are advised by the Company / related party based on actual requirements from time to time

Further, all Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

The transactions not in ordinary course of business or not on arm's length basis as indicated under Section 188 and voting restrictions for this purpose would be governed by the Act, as amended from time to time requiring prior approval of the shareholders:

7. Determination of Arm's Length

In order to determine whether a transaction is at arm's length, the Audit Committee / Board will exercise its own judgement based on its assessment from the information furnished and the relevant factors concerning each such transaction.

8. Ordinary course of business

Related Party Transactions that are part of regular business activities including any activity connected with the business operations, similar business / industry and its size shall be considered to be in the ordinary course of business. The criteria that may be considered by the Audit Committee are as below:

- Nature and scope of transaction and its consistency in general with the operations of the Company
- Possibility of entering into such transactions with third parties
- Size of transaction in relation to the prevailing market / industry trend

These are not exhaustive criteria and the Committee will assess each transaction considering its specific nature and circumstances.

9. Review and approval of Related Party Transactions

The Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity (***or its subsidiary***) subject to the following conditions, namely:

- a. the audit committee shall consider the following factors for granting the omnibus approval in line with the policy on related party transactions of the listed entity:
 - The transactions are repetitive in nature
 - The approval is in the interest of the company
 - Adequacy of justification for the need of omnibus approval
 - Maximum value of transactions in aggregate and maximum value per transaction
- b. the audit committee shall satisfy itself regarding the need for such omnibus approval

Further, the following shall be specified for obtaining omnibus approval which shall be valid for a period of one year:

- the name(s) of the Related Party
- the nature of the transaction, period of transaction, maximum amount of transaction that can be entered into
- the indicative base price/current contract price and the formula for variation in the price, if any

The Audit Committee may specify any additional conditions for such determination, as it may deem fit and also the Committee may also grant omnibus approval, without the above details, for unforeseen transaction subject to a value not exceeding Rs.1 crore per transaction.

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 approval given.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction.

Prior approval of the Audit committee shall be required for

- a. All RPTs and subsequent Material Modifications;
- b. RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company, as per the last audited financial statements of the Company
- c. with effect from April 1, 2023, a related party transaction to which the Company's subsidiary is a party but the Company is not a party, 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 such subsidiary.

d. Remuneration and sitting fees paid by the Company or its subsidiaries to the director(s), key managerial personnel or senior management, who is part of promoter or promoter group

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Provided that prior approval of the audit committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party, but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to the Company.

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

All material related party transactions and subsequent material modifications as defined by the audit committee under sub regulation (2) shall require prior approval of the shareholders through resolution provided that only those members of the audit committee, who are independent directors, shall approve related party transactions

Prior approval of Audit Committee shall not be required in case of transactions entered into between two WOS of the listed holding Company, whose accounts are consolidated and placed before the shareholders at the GM for approval

The members of the audit committee, who are independent directors, are empowered to ratify the related party transactions within three months from the date of the transaction or in the immediate next audit committee meeting, whichever is earlier, subject to certain conditions. The conditions are as follows –

- **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 Rs 1 crore;**
- **the transaction is not material in terms of policy on the materiality of related party transactions.**
- **rationale for the inability to seek prior approval for the transaction must be placed before the audit committee at the time of seeking ratification;**
- **the details of ratification must be disclosed along with the disclosures of related party transactions.**
- **any other condition as specified by the audit committee.**

10. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation or as may be required pursuant to applicable provisions, the matter shall be reviewed by the Committee and it shall take any such action it deems appropriate viz., including but not limited to, ratification, revision or termination of the Related Party Transaction, as it deems fit.

11. **Disclosure**

The listed entity shall submit on the same day of the 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 to the stock exchanges and publish the same on its website.

12. **Policy Review**

In case of any subsequent changes in the provisions of the Act or any other regulations, including the SEBI LODR, which makes any of the provisions in the Policy inconsistent with the Act or such other regulations, such provisions of the Act or such other regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Audit Committee / Board at least once in every three years.