JK TYRE & INDUSTRIES LTD.

Policy on Materiality of Related Party Transactions and on dealings with Related Party Transactions
(Related Party Transactions Policy)
Adopted on 12th August, 2014
(Revised up to 4th February 2025)

1 Objective

The Board of Directors of the Company, has adopted this Policy and procedures for dealing with Related Party Transactions (RPTs), in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made thereunder (the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and any other law or regulation, as may be applicable from time to time.

2. Definitions

(a) **"Words, Terms & Expressions used in this Policy"**

Unless the context otherwise requires, the words, terms and expressions used in this Policy shall have the meanings as given in the Act/SEBI Listing Regulations and any other law or regulation, as may be applicable from time to time.

(b) **"Material Related Party Transaction(s)"**

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 limits as may be specified in the SEBI Listing Regulations in this regard, as may be applicable from time to time.

(c) **"Material Modifications"**

In relation to a Related Party Transaction (RPT) approved by the Audit Committee or Material RPT approved by the Shareholders, as the case may be, material modification means any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding:

(i) 50% for transactions of up to ₹ 20 Crore; and
(ii) 20% for transactions of more than ₹ 20 Crore,

in each case, over and above the approved limits.

3. Compliance Officer

3.1 For purposes of this Policy, the Chief Financial Officer of the Company shall be the Compliance Officer. The Board may, where it is considered necessary so to do, appoint such other officer as it may consider appropriate as such Compliance Officer(s).

3.2 The Compliance Officer shall ensure proper implementation of the approved Policy and may lay down monitoring mechanism for its compliance as may be deemed appropriate.

4. Manner of dealing with Related Party Transactions

4.1 Identification of Related Parties

The Company shall identify Related Parties as per the definition provided in the applicable laws, including the Companies Act, 2013, the SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time. The Company shall regularly verify and update the list of Related Parties in accordance with the applicable laws.

4.2 Identification of Related Party Transactions

The Company shall identify Related Party Transactions as per the definition provided in the applicable laws, including the Companies Act, 2013, the SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time, for approval of the Audit Committee, Board of Directors and Shareholders, as may be required.

4.3 Review Mechanism/Approval/Ratification

(A) Approval of Audit Committee

(a) All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company.

Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

The members of the Audit Committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the guidelines issued under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, as amended from time to time, in this regard.

(b) The Audit Committee may, however, grant omnibus approval for Related Party Transactions of repetitive nature, proposed to be entered into by the Company or its subsidiaries, subject to the guidelines issued under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, as amended from time to time, in this regard.

(c) The Company shall provide the information for review of the Audit Committee for approval of a proposed Related Party Transaction as prescribed under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, from time to time.

(d) The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

(e) A quarterly certificate signed by the Internal Auditor of the Company shall be placed before the Audit Committee certifying as to whether all transactions entered into with

Related Parties during the relevant period were in the ordinary course of business and on arm's length pricing or not and whether these transactions were with due compliance of this Policy or not.

(B) Approval of Board/Shareholders for the Related Party Transactions

In addition to the approval of the Audit Committee, the Related Party Transactions will also be required to be approved by the Board of Directors and/or the shareholders of the Company, as may be required, keeping in view the provisions of the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, from time to time.

5. Disclosure

The particulars of the Related Party Transactions shall be disclosed in the Board's Report and/or in the Annual Report and to the Stock Exchanges and also to the Board of Directors/Audit Committee, as may be required, under the SEBI Listing Regulations and/or the Companies Act, 2013 and any other applicable law or regulation, as amended from time to time, in this regard.

6. Transfer Pricing

All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing requirement under the Income-tax Act, 1961 and/or any other applicable law or regulation including certification from independent accountants under the Transfer Pricing Regulations. Further, all international related party contract / arrangements shall comply with International Transfer Pricing requirement under the Income-tax Act, 1961 and/or any other applicable law or regulation including certification from independent accountants under the Transfer Pricing Regulations.

7. Amendment of Policy

Any subsequent amendment(s)/modification(s) in the Act, SEBI Listing Regulations, applicable Accounting Standards or any other governing law, which makes any of the provision of this Policy inconsistent with such Act, SEBI Listing Regulations, Accounting Standards or other governing law, then the provisions of such Act, SEBI Listing Regulations, Accounting Standards or any other governing law shall prevail and the Chief Financial Officer and the Company Secretary of the Company are severally authorized to carry out any further changes in the Policy to make it consistent with the amended Act, SEBI Listing Regulations, applicable Accounting Standards or other governing law and the Audit Committee shall be kept informed of the same.

8. Review of the Policy

This Policy will be reviewed by the Board of Directors of the Company at least once in every three years or at such interval as may be prescribed under the Act or SEBI Listing Regulations.
