JK Tyre & Industries Ltd.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

(Pursuant to Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Adopted on: 30th November 2015
Revised on: 3rd January 2025

I. **Preamble**:

Pursuant to Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is required to formulate a policy for determining material subsidiary.

As per the said Regulations, a material subsidiary shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

II. **Policy**:

A subsidiary whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year shall be considered a material subsidiary.

III. **Compliance with Listing Regulations**:

i) In case of a material unlisted subsidiary whether incorporated in India or not, at least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of such a material unlisted subsidiary.

For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the Listing Regulations or this Policy, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

ii) The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control* over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

[* *Explanation – 'control' shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations*, 2011.]

iii) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

This provision shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

iv) Every material unlisted subsidiary incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a secretarial

audit report, in such form as specified, with the Annual Report of the Company.

IV. **General**:

The words and terms not defined in the Policy shall carry the same meaning as assigned in the Listing Regulations. Further, the provisions applicable to material subsidiary only have been given in this Policy and the provisions applicable to all subsidiary companies, whether material or not, shall also be applicable to such unlisted material subsidiary as given in the Listing Regulations.

