



MRF LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

1. Preamble

The Board of Directors (the “Board”) of MRF Limited (the “Company” or “MRF”), has, based on the recommendations of the Audit Committee, adopted the following policy and procedures with regard to Materiality of and dealing with related party transactions.

2. Purpose

This policy is framed as per requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ((herein after referred to as “Listing Regulations”). This policy is intended to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations. In the event of the Companies Act, 2013 or Listing Regulations being re-enacted in any other form, then this Policy will be deemed to have been framed as per such re-enacted provisions.

3. Definitions

“**Audit Committee**” refers to the Committee of Board of Directors of the Company constituted under provisions of the Companies Act, 2013 and Listing Regulations.

“**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“**Key Managerial Personnel**” (**KMP**) means:

- (i) the Chairman & Managing Director, the Vice Chairman & Managing Director, Managing Director or the Chief Executive Officer or the Manager
- (ii) the Whole-time director(s);
- (iii) the Company Secretary;
- (iv) the Chief Financial Officer; and
- (v) 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; and
- (vi) Any other person as prescribed by rules under Section 2(51) of the Companies Act, 2013.

“**Financial Year**” in relation to the Company means the period ending on the 31st day of March every year.

“**Material Related Party Transaction**” shall be a transaction with a related party as specified under Listing Regulations and as amended from time to time. Accordingly, 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 the Listing Regulations as mentioned below or as amended from time to time:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

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 Company as per the last audited financial statements of the Company.

“**Material Modifications**” means and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

“**Related Party**” – 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:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023; 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:”

“Related Party Transaction”

Related party transaction” means a transaction involving a transfer of resources, services or obligations between:

(i) 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

(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; 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 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) 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:

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

“Relative” includes anyone who is related to another, if –

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife; or
- 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)

“Transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” as notified by SEBI vide its circular dated June 26, 2025 or as amended from time to time.

Words and expressions not specifically defined hereinabove, shall be read and interpreted as per the Companies Act 2013 and the Listing Regulations or any statutory modification or re-enactment thereof.

4. Identification of Related Parties

- a. In cases where the related party relationship is brought about through Directors, KMP or through their relatives, such related parties will be identified by the Company based on various statutory disclosures required to be made by Directors / KMPs. Directors and KMPs shall give adequate and timely disclosures to enable the Company to identify such related parties.
- b. In cases where the related party relationship is brought about by shareholding or control exercised by the Company in another entity or vice versa, such related parties shall be identified based on such shareholding or control.
- c. The Company Secretary will maintain a complete list of all related parties which shall be updated as required. The list shall be provided to the functional departments concerned within the Company. The functional department shall ensure that any proposal to enter into any contract with a related party are intimated to the Company Secretary, in time, so that requisite approvals can be obtained.

5. Approvals for related party transactions

- a. All Related party transactions and subsequent material modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 or Rules made thereunder and Listing Regulations.

Provided that only those Members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

- b. Audit Committee shall grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the conditions specified in the Companies Act, 2013 and Regulation 23 of Listing Regulations.
- c. All related party transactions may also need to be approved by Board of Directors and Shareholders to the extent required by Companies Act, 2013 and Regulation 23 of Listing Regulations.
- d. Any member of the Committee / Board who has an interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.
- e. A summarised report of all related party transactions actually undertaken shall be placed for the review of the Audit Committee and the Board at the time of approval of financial statement.

6. Information to be reviewed by the Audit Committee for approval of Related Party Transactions

Minimum Information to be provided for review of the Audit Committee for approval of Related Party Transaction(s) While placing any proposal for review and approval of an RPT, the Company shall provide the Audit Committee 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” (“RPT Industry Standards”), as made applicable by SEBI vide its Circular dated 26th June, 2025.

Provided that if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees Ten Crore, whichever is lower, the Company shall provide the following Minimum information as specified in SEBI Circular dated 13th October, 2025 to the Audit Committee for approval of such Related Party Transactions:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - a. nature of indebtedness;
 - b. cost of funds; and
 - c. tenure;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT;
- g. Justification as to why the RPT is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
 - i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
 - j. Any other information that may be relevant.

Provided further that the above requirements, shall not be applicable to transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) which does not exceed Rs. One crore.

7. Minimum Information to be provided for review of the Shareholders for approval of Related Party Transaction(s)

The Company shall ensure that the notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Act, include the information as part of the explanatory statement as specified in the RPT Industry Standards.

Provided that if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees Ten Crore, whichever is lower, the Company shall in the notice being sent to the Shareholders, also provide the following Minimum information as specified in SEBI Circular dated 13th October, 2025 to the Shareholders for approval of RPTs, in addition to the requirements specified under the Act:

- a. A summary of the information provided by the management of the Company to the Audit Committee as specified above;
- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details as specified under point (f) above;
- d. A statement that the valuation or other external report, if any, relied upon by Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

Provided further that the above requirements, shall not be applicable to transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) which does not exceed Rs. One crore.

7. Disclosures

- a. Details of Related Party Transactions shall be disclosed in the Board's Report as required under the relevant provisions of the Companies Act 2013 and also in the financial statements as required under the Accounting Standards.
- b. The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website.
- c. This policy shall be published in such manner as required by applicable regulations.

8. Miscellaneous

This Policy shall be read and interpreted in accordance with and subject to the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder and

Regulation 23 of the Listing Regulations and any amendment thereto and also any clarifications and circulars issued by appropriate authorities pursuant to applicable regulations.

9. Amendments

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may also make any amendments to the Policy from time to time, based on the recommendations of the Audit Committee.

Further, the Board will review this Policy from time to time as prescribed under the Companies Act, 2013 or Listing Regulations.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy.

Any amendments relating to the Regulation 23 of Listing Regulations shall automatically applicable to this policy along with the applicable Industry Standards. This Policy has been approved by the Board of Directors on 23.07.2014 and latest amended on 06.02.2026.