

## **Emerald Tyre Manufacturers Limited**

(Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Amendment thereon)

### **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS**

#### **1. Preamble**

The Board of Directors (the “Board”) of Emerald Tyre Manufacturers Limited (the “Company” or Emerald”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

#### **2. Purpose**

Related party transactions can pose potential or actual conflict of interest and it is appropriate that the Company enters into such transaction only if they are in the best interest of the Company and its shareholders.

The Company intends to ensure identification of related parties, proper conduct, documentation and reporting of all related party transactions and has hence framed and adopted as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) as amended from time to time.

#### **3. Definitions**

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of SEBI LODR and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Company**” or “the Company” means Emerald Tyre Manufacturers Limited (“Emerald”),

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

“**Key Managerial Personnel**” shall have the same meaning as defined under subsection 51 of section 2 of the Companies Act, 2013.

“**Material Related Party Transaction**” means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

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 listed entity as per the last audited financial statements of the listed entity.

**“Annual Consolidated Turnover”** means total income (i.e. revenue from operations plus other income) as per the last audited consolidated financial statements of the Company.

**“Annual Standalone Turnover”** means total income as per the last audited standalone financial statements of the subsidiary, prepared in accordance with the applicable standards.

**“Policy”** means Policy on Materiality of Related Party Transactions.

**“Related Party”** shall have the meaning as defined under Section 2(76) of the Act and/or under Regulation 23 of SEBI LODR.

Related Party under Section 2(76) of the Companies Act, 2013, and the rules made thereunder 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 on whose advice, directions or instructions a director or manager is accustomed to act;
  - (viii) Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
  - (ix) any body corporate 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;
    - (C) an investing company or the venturer of the company;
  - (x) such other person as may be prescribed;
- (For the purposes of this sub-clause (ix) of clause (76) of section 2 of the Act, a director “other than an independent director” or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party).

Provided that, any person or entity belonging to the promoter or promoter group of the listed entity holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

**As per SEBI LODR:**

- (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.”

**“Relative”** will have the same meaning as defined under Section 2 (77) of the Companies Act, 2013 and includes anyone who is related to any of the following manner-

Members of a Hindu undivided family;  
Husband or wife;  
Father (including step-father)  
Mother (including step-mother)  
Son (including step-son)  
Son’s wife  
Daughter  
Daughter’s husband  
Brother (including step-brother) or  
Sister (including step-sister)

**“Related Party transactions”** - means a transfer of resources, services or obligations between a listed entity and a related party, 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.

**As per Section 188 of the Companies Act, 2013:**

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company;

**As per Regulation 2(1)(zc) of SEBI(LODR), 2015:**

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;

- (iii) 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 by the listed entity 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:

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

**“Transactions on arm’s length basis”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**“Holding Company”** in relation to one or more other companies means a company of which such companies are subsidiary companies. The expression "company" includes any body corporate.

**“Subsidiary Company”** or “subsidiary” in relation to any other company (that is to say the holding company), means a company in which the holding company:

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation:

For the purposes of this clause:

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- (b) the composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) the expression “company” includes anybody corporate;
- (d) “layer” in relation to a holding company means its subsidiary or subsidiaries;

**“Associate Company”**, means under Accounting Standards (AS) – 18, an Associate is an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party; and under the Companies Act 2013, ‘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.

Explanation –For the purpose of this clause:

- “significant influence” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement; .
- “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement

**“Office or place of profit”** means any office or place –

- (i) where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private Company or other body corporate, if the individual, firm, private Company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

#### **4. Policy**

##### **4.1 ROLE OF THE AUDIT COMMITTEE**

The Audit Committee (“the committee”) shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. In the case of repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre – approval / omnibus approval, details whereof are given in a separate section of this Policy.

##### **As per SEBI LODR amendments:**

(w.e.f 1st April, 2023), 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 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 the subsidiary;

## 4.2 IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 containing the following information to the Company Secretary on an annual basis:

- (i) Names of his / her Relatives;
- (ii) Partnership firms in which he / she or his / her Relative is a partner;
- (iii) Private Companies in which he / she is a member or Director;
- (iv) Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
- (v) Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
- (vi) Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on him / her becoming aware of such changes.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of –

- (i) All Directors and Key Managerial Personnel;
- (ii) All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- (iii) Company's holding company, subsidiary companies and associate companies;
- (iv) Subsidiaries of holding company;
- (v) Director or Key Managerial Personnel of the holding company or their Relatives;
- (vi) All Emerald Group entities; and
- (vii) Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with SEBI (LODR) 2015 or the relevant Accounting Standards.

The database shall be updated whenever necessary and shall be reviewed at least once in a year jointly by the Chief Executive Officer, Chief Financial Officer and Company Secretary. The Chief Executive Officer, Chief Financial Officer and Company Secretary shall have access to the updated database.

Every Director, Key Managerial Personnel, Chief Executive Officer / Chief Financial Officer will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

The suggested details and list of records and supporting documents which are required to be provided along with the Notice of the proposed transaction are provided in Annexure 2 to this Policy.

The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transaction to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. Based on this Notice, the Company Secretary will take it up for necessary approvals under this Policy.

#### **4.3 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION**

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 through electronic mode.

Only those members of the audit committee, who are independent directors, shall approve related party transactions.

##### **4.3.1 CONSIDERATION BY THE AUDIT COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS**

While considering any transaction, the Audit Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

Prior to the approval, the Committee shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. The business reasons for the Company to enter into the Related Party Transaction and thenature of alternative transactions, if any;
- c. Whether the Related Party Transaction includes any potential reputational risks that may ariseas a result of or in connection with the proposed Transaction; and
- d. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnelor other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the on-going nature of any proposed relationship and any other factors the Committee deems relevant.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.



#### **4.3.2 APPROVAL BY CIRCULAR RESOLUTION OF THE COMMITTEE**

In the event the Company's Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

#### **4.3.3 APPROVAL BY THE BOARD**

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances. Interested Directors should abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

#### **4.3.4 STANDING PRE-APPROVAL / OMNIBUS APPROVAL BY THE COMMITTEE**

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval for the RPT proposed to be entered by listed entity or its subsidiary. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a) Name of the related party
- b) Nature of the transaction
- c) Period of the transaction
- d) Maximum amount of the transactions that can be entered into Indicative base price / current contracted price and formula for variation in price, if any and
- e) Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee. Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for ratification. Further, the audit committee shall review, at least on a quarterly / half yearly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.



The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year. Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy.

#### **4.3.5 APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS**

All Material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if the Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.

At the time of taking approval of members, the Company is required to disclose certain items in Explanatory Statement u/s 101 of the Companies Act, 2013 and shall contain all the particulars specified in Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and details given in Para 6 of SEBI Circular No: SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, as amended from time to time.

#### **4.3.6 TRANSACTIONS NOT IN ORDINARY COURSE OF BUSINESS OR NOT AT ARM'S LENGTH**

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require the approval of the shareholders through resolution and no related party shall vote to approve on such resolution.

#### **4.3.7 RELATED PARTY TRANSACTIONS NOT APPROVED PREVIOUSLY**

The members of Audit Committee, who are Independent Directors, may ratify related party transactions within 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.

- (a) 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;
- (b) the transaction is not material in terms of the provision of sub-regulation (1) of Regulation 23 of SEBI LODR Regulations 2015;
- (c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (d) 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 Regulation 23 of SEBI LODR Regulations, 2015

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

#### **4.4 DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS**

The disclosure on the basis of Related Party Transaction shall be referred to in the Board's report to the shareholders. The necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

The Company shall submit disclosures of related party transactions on a consolidated basis every six months within 15 days from the date of publication of its standalone and consolidated financial results, in the format specified by the Board from time to time and publish the same on its website. The Company shall make such disclosures every six months on the date of publication of its Standalone & Consolidated Financial results w.e.f. 01st April, 2023.

The remuneration and sitting fees paid by the Company or its subsidiary to its director, KMP or Senior Management, except who is part of promoter or promoter group shall not require disclosure, if the same is not a Material RPT.

#### **5. MATERIAL MODIFICATION IN RPTs**

- (a) Material modification for the purpose of this policy means any modification(s) in the pricing, quantity or overall value that has an effect or cumulative effect of variation in the value of previously approved RPT by 10% (ten percent) or more.
- (b) Further, any modifications with regard to any norms such as payment schedule, delivery schedule and novation of contracts, payment renunciation etc. that has an effect of 20% (twenty percent) deviations from the agreed terms and conditions of the contract.

#### **6. SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and of the SEBI (LODR), 2015 / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI (LODR), 2015 / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

#### **7. DISSEMINATION OF POLICY**

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the Annual Report of the Company.

## 8. POLICY REVIEW

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

### **Exemptions**

As per Companies Act 2013

Nothing contained in this policy shall apply to any contract or arrangement –

- (i) Transactions related to contracts already in existence prior to 1st October 2014.
- (ii) in the ordinary course of its business; or
- (iii) at arms' length price.
- (iv) service availed in a professional capacity from body corporate/person.
- (v) The following transaction(s) undertaken by the Independent Director with the Company or its holding, subsidiary, or associate company or their promoters or directors during the year and during two immediately preceding financial years shall not fall in the ambit of pecuniary relationship with the Company:
  - (i) transaction(s) done in ordinary course of business at arm's length;
  - (ii) receipt of remuneration by way of sitting fees;
  - (iii) re-imbursement of expenses for attending board and other meetings;
  - (iv) any profit related commission as approved by members.
  - (v) for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed five lakh rupees in the aggregate in any year; or

It is also recommended that the following records shall be maintained for any future transactions after 1st October 2014.

### **As per SEBI (LODR) 2015.**

The following transactions are exempted from the Requirement of obtaining the Shareholders approval:

- (i) 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;
- (ii) 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.

### **Records relating to Related Party/ Supporting documents**

#### **(a) Rent Agreement**

- (i) Copy of draft agreement.
- (j) Quotation from a property dealer/ advisor in the area in which the property is located or a nearby area.
- (k) If quoted prices are substantially lower / higher than existing, to seek second quotation.

**(b) Purchase/ sale of property**

- (i) Valuation reports from at least 2 independent valuers 'to ascertain Fair Market Value.
- (ii) Quotations from 2 independent property dealers/brokers.
- (iii) Draft copy of agreement to sell/Draft of proposed sale deed.
- (iv) Brief terms and conditions and justification of such transaction.

**(b) Purchase/ sale of material, goods etc.**

- (i) Copy of agreements/Purchase Orders/correspondence exchanged/ letters of exchange / bills/ invoices etc.
- (ii) Invoices/ bills of similar transactions on same date or nearby date with un- related parties from the seller.
- (iii) Quotation from un-related service provider.

**(c) Availing/ Rendering Services**

- (i) Copy of Agreement/ MOU/ Correspondence etc.
- (ii) Supporting documents justifying the transaction on arm's length basis.

**(d) Loans/ Advances given or taken**

- (i) Compliance of Section 185, 186 and other applicable provisions of the Companies Act, 2013 and rules thereunder.
- (ii) Agreements
- (iii) Statutory approvals wherever required.
- (iv) Rate of Interest and justification for the same in view of nearest prevailing G- SEC rate for the term of the Loans/Advances (wherever applicable).

**(e ) Subscription to shares/debentures/securities**

Valuation Report or documents justifying that subscription is done/received at a rate on which placement has been made/shall be made to an un-related party.

**(g) Guarantee/ Securities**

- (i) Compliance of Section 185, 186 and other applicable provisions of the Companies Act, 2013 and rules thereunder.
- (ii) Agreements.
- (iii) Other documents justifying the same.

**(h) Other transactions**

Agreements or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate.

#### **9. Amendment in Law**

Any subsequent amendment / modification in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or applicable laws in this regard shall automatically apply to this Policy.

NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,  
The Company Secretary/Compliance Officer  
Emerald Tyre Manufacturers Limited  
Emerald House, Plot No. 2, 2<sup>nd</sup> Street, Phase – 1 Porur Garden,  
Vanagaram, Chennai – 600 095

Dear Sir,

A. I, ....., son/daughter/spouse of ....., resident of ....., holding ..... Shares (equity or preference) of Rs. 10/- each (..... percent of the paid-up Capital) in the Company in my name, being a ..... in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

Sr. No.	Name of the Companies / Bodies Corporate / Firm Association of / Individuals	Nature of Interest or Change in Interest or Concern	Shareholding	Date on which interest or Concern arose / changed

B. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions;

Sr. No.	Name of the Body Corporate

C. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation

Signature:  
Name:  
Designation:

Place:  
Date:

SCHEDULE LIST OF RELATIVES

Sl.No.	Relationship	Full Name	Address	Shareholding in Emerald Tyre Manufacturers Limited
1	Spouse			
2	Father (including Step-Father)			
3	Son (including Stepson)			
4	Daughter			
5	Daughter's Husband			
6	Brother (Including Step-Brother)			
7	Sister (Including Step-Sister)			
8	Mother (including Step-Mother)			
9	Son's Wife			
10	Members of HUF			



## ANNEXURE 2

### **INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):**

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity 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 listed entity'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 listed entity 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,
    - nature of indebtedness;
    - cost of funds; and
    - 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 listed entity;
- 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

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