

**BALKRISHNA INDUSTRIES
LIMITED**

TAX STRATEGY

Policy Title	TAX STRATEGY
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INTRODUCTION

Balkrishna Industries Limited (hereafter stated as ‘BKT’ or the ‘Company’), is India’s leading player in the global ‘Off Highway Tire (OHT)’ market, while holding capabilities to manufacture over 3,200+ Stock Keeping Units (SKUs) with market presence in over 160 countries along with serving global Original Equipment Manufacturers (OEMs).

PURPOSE AND SCOPE

BKT intends to set forth the Company’s Tax Strategy based on the strong belief in excellence and commitment to the governance philosophy of the Company, upholding the approach of the highest standards of responsible corporation, in the communities and countries where we operate in. This Tax strategy aligns focuses on ensuring tax compliance along with following long-term Business Sustainable Strategies, while adhering to the interests of our stakeholders, to protect our reputation and strengthen the BKT brand.

PRINCIPLES OF TAX STRATEGY

- The tax strategy of the Company strives to be the following:
- Committed to comply with applicable tax laws and regulations of the jurisdictions we operate in.
- Established agile tax risk management processes that enable the identification, assessment, management, and mitigation of key tax risks.
- Committed to prompt disclosure and transparency in all tax matters to respective tax authorities.
- Strive to align our tax behaviour with integrity and high ethical standards and values.
- Believes in an open and cohesive dialogue and information sharing with tax authorities to maintain high level of trust and harmonious relationships.

TAX COMPLIANCE AND TRANSPARENCY

Being a regulatory requirement, tax compliance is one of the top priorities of the management. Timely payments against tax obligations and making suitable provisions along with submission of necessary disclosures of relevant facts and circumstances to tax authorities and stakeholders.

BKT adhere to all the taxation regulations as applicable including transfer pricing law of countries, wherever they operate.

BKT disclosed the Annual Corporate Governance Report to ensure compliance with the highest level of Business Ethics, Transparency and Accountability as set by our Board. This compliance report also takes into consideration laws, compliance, codes or recommendations of all jurisdictions wherein we operate and reports on the effectiveness of the systems for controlling tax risks.

TAX RISK MANAGEMENT

At BKT, we keep constant focus on thorough check and control on tax matters by instituting adequate processes, effective controls and periodic review mechanism, which helps in preventing non-compliance.

To minimize tax uncertainty, we continuously monitor regulatory updates on tax legislation and policies taking a conservative approach. Our team undergoes regular training to keep tab on contemporary regulatory changes.

Our tax strategy is approved by the Board of Directors. The approved policy is reviewed periodically by the management to ensure the strength of the process, people, system and technology deployed to deal with related matters. Further, we believe in seeking professional advice to support the decision-making process to improve understanding of applicability or interpretation of tax law for material transactions. We do timely analyze industry approach and trends as well to benchmark our processes.

ENGAGEMENT WITH TAX AUTHORITIES

BKT is committed to build an open and cohesive communications with tax authorities by following our policy of transparency, with an intent to understand interpretation of law to avoid possibility of uncertainty from business transaction(s) and address in a timely and fair manner.

In case of any difference in opinion with tax authority regarding a position taken by the Company, we seek to resolve this based on factual and legal analysis with a conservative approach. If we continue to disagree, the decision to litigate will be assessed primarily on the basis of technical merits and judicial precedents, reputational issues, cash flow implications, industry position and cost-benefit analysis.

All dealings with the tax authorities and other relevant bodies are conducted in a collaborative, courteous, timely manner and in compliance with BKT's Code of Conduct.

TAX OVERSIGHT AND CONTROL

We have a specialized in-house team responsible for managing the Company's tax affairs, including a finance and tax team that diligently and exclusively handles these matters. Our tax affairs are overseen by our board of directors, which is further supported by the following:

- Internal Control: Establish a system of internal controls to reduce tax risk.
- Documentation: Document agreed tax processes to minimize the risk of errors.
- External Advice: Obtain specialist external tax advice when necessary.