

## POLICY FOR DETERMINING MATERIAL NON-LISTED SUBSIDIARIES

### LEGAL FRAMEWORK

The Board of Directors of Minda Corporation Limited ('the Company') have approved this Policy for determining material subsidiaries of the Company in compliance with the requirements of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amended) Regulations, 2018 effective from April 01, 2019 ('the Regulations'). The term "Material Subsidiary" is defined in Chapter IV under Regulation 16(1)(c) of the said Regulations.

### OBJECTIVE

The objective of this policy is to regulate the investments of Company in material subsidiaries and to provide a governance framework for such subsidiaries and to oversee the functioning of such subsidiaries based on the laws and regulations applicable on the Company.

### SCOPE

The material subsidiaries of the Company will be covered under this policy.

### DEFINITIONS

**"Act"** shall mean the (Indian) Companies Act, 2013, including any amendments thereto and any rules, regulations, notifications and clarifications made thereunder, to the extent notified, and the (Indian) Companies Act, 1956 any amendments thereto and any rules, regulations, notifications and clarifications made thereunder, to the extent applicable and in force.

**"Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations (including any amendment thereof) and Companies Act, 2013.

**"Board"** means Board of Directors of the Company as constituted from time to time.

**"Company"** means Minda Corporation Limited.

**"Holding Company"** in relation to one or more other companies, means a company

of which such companies are subsidiary companies.

**“Independent Director”** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under Section 149(6) of the Companies Act, 2013 and the Listing Regulations as amended time to time.

**“Material Subsidiary”** means a subsidiary of the Company, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

**“Material Non-Listed Indian Subsidiary”** means an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

**“Policy”** means Policy on material subsidiaries.

**“Significant Transaction or Arrangement”** means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the un-listed subsidiary for the immediately preceding accounting year.

**“Subsidiary(ies)”** means subsidiary of the Company as defined in the Companies Act, 2013 and rules made thereunder as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

## **POLICY AND PROCEDURE**

The Board of the Company shall adopt the following policy and procedures with regard to Subsidiaries of the Company:

- i. At least one independent director on the Board of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation:- For the purposes of this provision, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.”ii. The Audit Committee

of the Company shall also review the financial statements of Subsidiaries, in particular, the investments made by the unlisted Subsidiary of the Company.

iii. The minutes of the Board meetings of the unlisted Subsidiary company shall be placed at the Board meeting of the Company.

ii. The management of the Company shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Companies.

Explanation:- For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiaries for the immediately preceding accounting year.

iii. The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 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.

iv. Selling, disposing and leasing of assets amounting to more than 20% 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.

v. The Company shall disclose all events or information to the Stock exchanges as covered under Regulation 30 of Listing Regulations with respect to material subsidiaries

## **DISCLOSURES**

This Policy shall be disclosed on the Company`s website ..... and a web link thereto shall be provided in the Annual Report of the Company.

## AMENDMENT OF POLICY

The Board will review and may amend this policy from time to time.

## LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

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