

MINDA CORPORATION LIMITED
RELATED PARTY TRANSACTIONS POLICY

1. Preamble

The Board of Directors (the "Board") of Minda Corporation Limited (the "Company" or "MCL"), has adopted the policy and procedures with regard to Related Party Transactions as mentioned in this document.

The policy defines the procedure - for transactions between the Company and its Related Parties based on the applicable laws and regulations.

2. Purpose

This policy is framed in accordance with the applicable provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges. The policy describes the procedure to be followed along with the reporting and disclosure requirements for the transactions entered between the Company and its Related Parties. Such transactions shall be deemed appropriate if they are in the best interest of the Company and its shareholders. The Company, as per statutory requirements, needs to disclose related party transactions in its Financial Statements along with the policies framed to regulate such transactions.

3. Definitions

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

"Board" means Board of Directors of the Company

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

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed.

"Material Related Party Transaction", transaction entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the company as per the last audited financial statements.

"Policy" means Related Party Transaction Policy.

"Related Party" means related party as defined in Clause 49 of the Listing Agreement which is as follows:

A Related Party' is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a company if that person:

a. is a related party under Section 2(76) of the Companies Act, 2013 which 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 is a member or director ;
- (v) a public company in which a director or manager is a director or 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 under whose advice, directions or instructions a director or manager is accustomed to act :

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company 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 ;
- (ix) Director or key managerial personnel of the holding company or his relative with reference to a company; or

b. has control or joint control or significant influence over the company; or

c. is a key management personnel of the company or of a parent of the company; or

2. An entity is related to a company if any of the following conditions applies:

- a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
- b. The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
- c. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
- d. Both entities are joint ventures of the same third party; or
- e. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- f. The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company; or
- g. The entity is controlled or jointly controlled by a person identified in (1).

- h. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity)

“Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

“Relative” means relative as defined under the Companies Act, 2013 and includes any one who is related to another, if –

- i. They are members of a Hindu Undivided Family;
- ii. They are husband and wife;
- 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)

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

5. Procedure

- i) All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval (valid for a period not exceeding one year and shall require fresh approval after the expiry of one year) for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
 - a) Omnibus approval shall be accorded as per the laid down criteria and in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
 - c) Above approval shall specify the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Where the Company cannot foresee the need for Related Party Transaction and details mentioned in (c) above are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ` 1 crore per transaction.

The Audit Committee shall on quarterly basis review the details of transactions entered into by the Company with reference to such omnibus approval given.

- ii) All material Related Party Transactions shall be recommended by Audit Committee to the Board and Board shall further recommend the same for approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions. However shareholders approval is not required for such transactions entered with wholly owned subsidiary companies.
- iii) All other Related Party Transactions, which are not in ordinary course of business or not on arm's length basis shall be recommended by Audit Committee to the Board and Board shall further recommend the same for prior approval of the shareholders by a special resolution.

6. Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. Board/ Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/ Board has adequate time to obtain and review information about the proposed transaction.

7. Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will abstain from discussion and on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, 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. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

- Whether the Company was notified about the Related Party Transaction before its commencement; and
- Whether the Related Party Transaction would present an improper 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, Executive Officer or other Related Party, the direct or indirect nature of the directors, Key Managerial Personnel or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

8. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

9. Policy Review

In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

10. Disclosure

Related Party Transactions or contract or arrangement entered shall be disclosed in the following manner:

- i) Every contract or arrangement, which is not in ordinary course of business or not on arms length basis, shall be disclosed in the Board's report to the shareholders along with justification for entering into such contract or arrangement.
- ii) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance; and
- iii) The policy shall be disclosed on the website of the Company www.minda.co.in and a web link thereof shall be provided in the Annual Report every year.

This policy on dealing with Related Party Transactions is approved by the Board of Directors on this 14th day of November, 2014.

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