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1.0.0 Purpose / Objective:

- 1.1.0 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.
- 1.2.0 The purpose of this policy is to define the procedure to be followed along with its reporting and disclosure requirements for transactions between the Company and its Related Parties based on the applicable laws and regulations.

2.0.0 Scope/ Coverage

- 2.1.0 This policy is framed in accordance with the applicable provisions of Companies Act, 2013 as amended and 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’).
- 2.2.0 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.
- 2.3.0 The Company 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.
- 2.4.0 The Company shall make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results. Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.”
- 2.5.0 All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy (BOD)

In case of any clause of this policy is contrary to the provisions of any law in force, then the provision of such law shall prevail over any clause mentioned in this policy.

3.0.0 Applicability

This Policy shall be applicable to all the Companies of Spark Minda Group. If any Joint Venture Company or Associate Company wish to take any exemption from the applicability of this policy need to take prior approval from the Group CFO.

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4.0.0 Definition of terms/ abbreviation

- 4.1.0 Act” means 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
- 4.2.0 “Arms’ length Transaction”, means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 4.3.0 “Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of the Regulations and Companies Act, 2013 as amended from time to time.
- 4.4.0 “Board” means Board of Directors of the Company
- 4.5.0 “Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be amended from time to time.
- 4.6.0 “Holding Company” in relation to one or more other companies, means a company of which such Companies is a subsidiary company.
- 4.7.0 “Independent Director” means an independent director referred to in Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(LODR) as amended
- 4.8.0 "Key managerial personnel", in relation to a company, means—
- (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;
 - (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) such other officer as may be prescribed
- 4.9.0 “Material Related Party Transaction”, transaction entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. However, 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.

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4.10.0 “Material Modifications” shall include all amendments or modifications in relation to Related Party Transaction which may result into modification of transactions in excess of 10% of the value already approved by the Audit Committee.

4.11.0 “Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association. The business activity in question should be in furtherance of the business objectives of the Company and there should be a close proximity of the activity in question with the normal business of the Company.

4.12.0 “Policy” means Related Party Transaction Policy.

4.13.0 “Relative” shall have the same meaning as defined in section 2(77) of the Act.

4.14.0 “Related Party” shall have the meaning as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act, including all amendments and modifications thereof from time to time.

4.15.0 “Related Party Transaction” means any transaction involving a transfer of resources, services or obligations between:-

- i) The Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- ii) The Company 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 Company 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 by the Company 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.

4.16.0 “Relative” means relative as defined under the Companies Act, 2013 as may be amended from time to time.

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4.17.0 “Significant Influence” means control of at least 20% (twenty percent) of the total share capital, or of business decisions under an agreement.

4.18.0 “Subsidiary Company” or “Subsidiary” shall have the same meaning as defined in section 2(77) of the Act.

4.19.0 “Transaction” in relation to a Related Party means the contract or arrangement with the Related Party and shall include, where required, any transaction thereunder with a Related Party in that Financial Year, whether entered into individually or not.

5.0.0 Guidelines related to Criteria/ Scheme/ Policy/ Procedures

5.1.0 RTP Transactions requiring prior approval from Audit Committee:

5.1.1 All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. 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 (i) 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 are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. One Crore per transaction.
- d) The Audit Committee shall on quarterly basis review the details of transactions entered into by the Company with reference to such omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

5.1.2 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 resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. However, shareholders’ approval is not required for such 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.

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- 5.1.3 Further no approval is required from Audit Committee for the 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.
- 5.1.4 Further, no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not However the said requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- 5.1.5 The provisions of this regulation shall be applicable to all prospective transactions
- 5.1.6 For the purpose of this regulation, all entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not
- 5.1.7 a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company 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 consolidated turnover, as per the last audited financial statements of the Company;
- 5.1.8 with effect from April 1, 2023, a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company 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;
- 5.1.9 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.
- 5.1.10 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:
- a) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
 - b) 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;
 - c) Whether the Related Party Transaction would affect the independence of an independent director;
 - d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

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- e) Whether the Company was notified about the Related Party Transaction before its commencement; and
- f) 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.

5.1.11 The Company shall provide the following information, for review of the audit committee for approval of a proposed RPT:

- 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

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

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5.2.0 RTP Transactions requiring approval from Board of Directors

5.2.1 All transactions with Related Parties shall be in the ordinary course of business and at arm's length and shall be subject to the prior approval of the Audit Committee. If any transaction with Related Party(s) is not in the ordinary course of business and/or not at arm's length, then:

- a) All such transactions will require prior approval of the Audit Committee;
- b) Will require prior approval of the Board; and
- c) Will require prior approval of the shareholders of the Company by resolution if they exceed the threshold limits mentioned u/s 188 of the Act read with Rules.

Further, any Material Transaction proposed to be entered into with a related party shall also be approved by the Board of Directors of the Company after they have been approved by the Audit Committee.

5.3.0 RTP Transactions requiring shareholders' approval

5.3.1 All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

5.3.2 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 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company

5.3.3 In addition to the above, all kinds of transactions specified under Section 188 of the Act which

- a) are not in the ordinary course of business or not at arm's length basis; and
- b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 (for thresholds limit- refer below) are placed before the shareholders for its approval.

5.3.4 Related party limits

In the Companies Act the transaction wise limit has been prescribed. The thresholds are summarized below:-

S. No.	Description of Transaction	Threshold Limits
1	Sale, purchase or supply of any goods or material, directly or through appointment of agent	Amounting to ten percent or more of the turnover of the company
2	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	Amounting to amounting to ten percent or more of net worth of the company

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S. No.	Description of Transaction	Threshold Limits
3	Leasing of property any kind	Amounting to amounting to ten per cent or more of the turnover of the company
4	Availing or rendering of any services, directly or through appointment of agent	Amounting to amounting to ten percent or more of the turnover of the company
5	Appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration	Exceeding two and a half lakh rupees
6	Remuneration for underwriting the subscription of any securities or derivatives thereof,	Exceeding one percent of the net worth

5.3.5 Information to be provided to shareholders for consideration of RPTs

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- A summary of the information provided by the management of the listed entity to the audit committee as specified in point 4 above;
- Justification for why the proposed transaction is in the interest of the listed entity;
- Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- Any other information that may be relevant.

6.0.0 Special Provisions

6.1.0 Identification of Potential Related Party/ Related Party Transactions

- 6.1.1 Before the start of each financial year, the Company shall draw up a list of 'related parties' in accordance with the definition given in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Any changes in the list during the financial year

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shall be made as and when the Company receives information in this regard from the Directors and Key Managerial Personnel. For this purpose, the Company shall devise an appropriate procedural mechanism.

- 6.1.2 The Audit Committee, in consultation with the Company Secretary, will review and determine whether any Transaction with such Party(s) will, in fact, constitute a Related Party Transaction requiring compliance with this RPT policy. Any member of the Audit Committee or Board who is directly or indirectly interested in any Related Party Transaction shall recuse himself and abstain from participating in the discussion and voting for such item under consideration by Audit Committee and Board, as the case may be.
- 6.1.3 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.
- 6.1.4 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.

6.2.0 Related Party Transactions not approved under this Policy

- 6.2.1 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.
- 6.2.2 In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

6.3.0 Policy Review

- 6.3.1 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.
- 6.3.2 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.


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6.3.3 The Board to review & update Policy at least every 3 years.



6.4.0 Disclosure

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

- a) Every contract or arrangement, which is not in ordinary course of business or not on arm's length basis, shall be disclosed in the Board's report to the shareholders along with justification for entering into such contract or arrangement.
- b) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance; and
- c) The policy shall be disclosed on the website of the Company <https://sparkminda.com/> and a web link thereof shall be provided in the Annual Report every year.
- d) Disclosure of RPT in Annual Report with any person/ entity belonging to promoter/ promoter group which holds 20% or more shareholding in LE
- e) Disclosure of RPT in Annual Report with any person/ entity belonging to promoter/ promoter group which holds 10% or more shareholding in LE.(applicable w.e.f. 01.04.2023)
- f) Group Corporate Company Secretary shall make RPT disclosures every six months in the format to Stock Exchange. (Format as per Annexure 2)
- g) For Equity listed entities, disclosure to be made within 15 days from the date of publication of its standalone and consolidated financial results, for the half year. Disclosure to be made simultaneously along with publication of its standalone and consolidated financial results, for the half year w.e.f. April 01, 2023.
- h) The Company shall disclose details of loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount, by the listed entity and its subsidiaries, in their Corporate Governance Report forming part of annual report.

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7.0.0 Annexures

Annexure	Description	Attachment
Annexure 1	Format for sharing the information to Group Corporate Company Secretary	 Annexure - I - RPT Format.xlsx
Annexure 2	Format for sharing the information to Stock Exchange	 Annexure - II - Circular- Disclosure o

8.0.0 Supersede


This policy shall supersede all policies and procedure issued on or before of the issuance of this RTP policy.

9.0.0 Confidentiality Level

To all business heads and finance heads.

List of Functional Committee Members:


Name of Members	Designation
Sanjay Kumar Gupta	Deputy CFO – Group Finance
Sanjiv Kr. Jalan	Head – Corporate Audit & Governance
Sandeep Gupta	Vertical CFO – BV I
Praveen Sharma	Vertical CFO – BV II

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Revision History

Rev No	Description	Date
R00	Original Document	14-11-2014
R01	Revised Document	07-02-2019
R02	Revised	28-01-2022

Statement of Changes

Clause No.	Existing Provision	Revised Provision	Justification for change
			<p>The policy has been updated to incorporate the changes made in law. Refer Annexure 3 for changes made in the policy.</p>  <p>ANNEXURE 3.docx</p>

Approval

Responsibility	Name	Designation	Signature
Prepared by	Pradeep Mann	Group Company Secretary	
Reviewed by	Sanjay Kr. Gupta	Deputy CFO – Group Finance	
Validated by	Sanjiv Kr. Jalan	Head – Corporate Audit & Governance	
Approved by	Board and Audit Committee Members	BOD	