



**MINDA INDUSTRIES LIMITED**

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION  
&  
ON DEALING WITH RELATED PARTY TRANSACTION**

## **MINDA INDUSTRIES LIMITED RELATED PARTY TRANSACTION POLICY**

### **1. PREAMBLE**

The Board of Directors of the Company (the "Board") has in accordance with Companies Act, 2013 (the "Act") read with SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") has adopted this policy on 'Materiality of Related Party Transactions and on Dealing with Related Party Transactions ('Policy').

### **2. PURPOSE**

The purpose of the Policy is to set out (a) the materiality thresholds for related party transactions and material modification thereto and; (b) the manner of dealing with the transactions between 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 with effect from April 1, 2022 (c) the manner of dealing with the transactions between 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 listed entity or any of its subsidiaries, with effect from April 1, 2023 based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company. Such transactions shall be deemed appropriate only if they are in the best interest of the Company and its stakeholders. The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations.

### **3. DEFINITIONS**

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI Listing Regulations as amended from time to time.

### **4. MATERIALITY THRESHOLDS**

4.1. Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and no Related Party shall vote to approve such resolution, whether the entity is a Related Party to the particular transaction or not.

4.2. The Company has fixed its materiality threshold on the basis of regulation 23(1) and 23(1A) of the SEBI Listing Regulations as under: -

4.2.1. Payment to a Related Party with respect to brand usage or royalty:

materially threshold shall be as per limits specified under SEBI Listing Regulations as amended from time to time.

4.2.2. Other Transaction with Related Parties

In case of any other Transaction, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent (10%) of the annual consolidated turnover of the Company as per last audited financial statements of the Company, whichever is lower.

#### 4.2.3. Material modification:

The following modification(s) to a related party transaction will be treated as material modification and shall be dealt accordingly:

- (a) A variation in the value of the transaction/contract as originally approved, by 25% or more; or
- (b) Any novation of the contract or arrangement to a third party; or
- (c) Any modifications to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the complete nature of the transaction

The following will be excluded while determining the materiality of modification:

- (a) modifications which may be mandated pursuant to change in Law;
- (b) modifications pursuant to and in accordance with the terms of the approved transaction/contract whether with or without mutual consent of parties, as the case may be;
- (c) modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement;
- (d) modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- (e) modifications uniformly affected for similar transactions with unrelated parties

## **5. RELATED PARTY TRANSACTIONS – FRAMEWORK FOR IDENTIFICATION**

### 5.1. Identification of Related Parties

The Company has system for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

### 5.2. Identification of Potential Related Party Transactions

All Related Party Transactions shall be brought to the notice of Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee through Company Secretary.

All Directors, Senior Management and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence. Further, Directors, Senior Management and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

In addition, all Directors and KMPs are responsible for giving notice to the Company Secretary of any potential Related Party Transaction involving them or their Relatives.

Such notice of any potential Related Party Transaction should be given well in advance so

that the Company Secretary (or such other person who may be entrusted for this purpose by the Audit Committee) has adequate time to obtain and review information about the proposed transaction and place the same before the Audit Committee

## **6. RELATED PARTY TRANSACTIONS - PROCEDURE FOR APPROVAL**

### 6.1. Approval of the Audit Committee

6.1.1. All Related Party Transactions and subsequent material modification(s) (other than transactions with wholly-owned subsidiary(ies) or the transactions between wholly owned subsidiary(ies) of the Company), shall be prior approved or ratified by the Audit Committee.

6.1.2. Related Party Transactions of a subsidiary(ies) and subsequent material modifications, to which the Company is not a party shall require prior approval of 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:

- (a) exceeds 10% of the annual consolidated turnover, as per the last audited financial statements of the Company;
- (b) With effect from April 1, 2023, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary

6.1.3. However, the Company may obtain omnibus approval from the Audit Committee for such transactions mentioned in 6.1.1 and 6.1.2 above, subject to compliances with the following conditions:

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy and such approval shall be applicable in respect of repetitive transactions;

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;

The omnibus approval shall provide details of (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions in aggregate that can be entered into in a year, (ii) the indicative base price/current contracted price and the formula for variation in the price, if any and (iv) such other conditions as the Audit Committee may deem fit.

However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 crore per transaction;

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given;

Such omnibus approval shall be valid for a period not exceeding 1 financial year and shall require a fresh approval after expiry of such financial year.

6.1.4. Any member of the Committee who is interested in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction and only the Independent Directors who are the members of the Audit Committee shall approve related party transaction(s)

## 6.2. Approval of the Board of Directors of the Company

6.2.1. As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are to be placed before the Board for its approval.

6.2.2. Any member of the Board who is interested or has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

## 6.3. Approval of the Shareholders of the Company

6.3.1. All the material related party transactions including any subsequent material modification(s) thereof, with related parties, laid down in Clause 4 of the Policy (other than transactions with wholly-owned subsidiary(ies) or the transactions between wholly owned subsidiary(ies) of the Company), shall be placed before the shareholders for their prior approval. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

6.3.2. Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed under Section 188 of the Companies Act, 2013 and Rules made thereunder shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all persons/entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the person/entity is a party to the particular transaction or not.

## **7. DISCLOSURES**

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

7.1. The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

7.2. The Company shall submit to the stock exchanges disclosures of related party transactions within the timeline as prescribed under SEBI Listing Regulations.

7.3. As prescribed under Regulation 46(2)(g) of the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website viz. [www.unominda.com](http://www.unominda.com)

## **8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Audit Committee and/or Board, and/or approval, if required, by a

resolution in the general meeting and if it is not ratified by the Audit Committee and/or Board and/or, by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Audit Committee or Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

**9. POLICY REVIEW**

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly.

**10. AMENDMENT OF POLICY AND LIMITATION**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act of Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This updated policy on dealing with Related Party Transactions is approved by the Board of Directors on this March 25, 2022.