



MINDA INDUSTRIES LIMITED

POLICY ON MATERIAL SUBSIDIARIES

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LEGAL FRAMEWORK

In accordance with Regulation 16(1)(C) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 [“SEBI LODR Regulations”], the Company has formulated this policy for determining material subsidiary of the Company and governance of the material subsidiary(ies).

OBJECTIVE

The objective of this Policy is to determine Material Subsidiaries and disclosure thereof as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions / arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company.

SCOPE

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

DEFINITIONS

“Company” means Minda Industries Limited.

“Independent Director” means a director of the Company, not being a whole time director and who is neither a promoter nor belong’s to the promoter group of the Company and who satisfies other criteria for independence under the SEBI LODR Regulations and the Companies Act, 2013 (“Act”)

“Material Subsidiary” means a subsidiary, whose income or net worth exceeds exceeds 10% percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Policy” means this 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 unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary(ies)” means subsidiary of the Company as defined in the Companies Act, 2013.

All words and expressions used in this policy, unless defined hereafter, shall have the same meaning respectively assigned to them under the SEBI LODR Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and Rules, notifications and circulars made/issued thereunder, as amended, from time to time.

POLICY AND PROCEDURE

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

A. INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL UNLISTED SUBSIDIARY INCORPORATED IN INDIA OR OVERSEAS:

- 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 overseas.
- ii. For the purpose of this clause A (i), ‘material subsidiary’ shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

B. Review of Financial Statements and Minutes of The Unlisted Subsidiary

- i. The Audit Committee of the Company shall also review the financial statements of the unlisted subsidiaries, in particular, the investments made by the unlisted Subsidiary of the Company.
- ii. The minutes of the Board meetings of the unlisted Subsidiary company shall be placed at the Board meeting of the Company

C. SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management of the unlisted subsidiary 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 Company.

D. DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

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.

E. DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

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

F. SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARIES

Material Subsidiary, which is unlisted and incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice in such form as may be specified by SEBI/Stock Exchanges.

G. DISCLOSURE OF MATERIAL EVENTS OR INFORMATIONS

The Company shall disclose all events or information as covered under Regulation 30 of SEBI (LODR Regulation) with respect to subsidiaries, which are material for it.

H. REPORTING AND DISCLOSURE

This Policy shall be placed on Company's website and shall also be disclosed in accordance with the applicable provisions of the Act and SEBI LODR Regulations.

I. AMENDMENT AND LIMITATION

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

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