

MIRC ELECTRONICS LTD

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POLICY ON MATERIAL NON LISTED SUBSIDIARY

1. Objective

Objective of this policy is to determine the Material subsidiary of the Company and provide the governance framework of such subsidiary

2. Definitions :

'Act' means the Companies Act, 2013 and Rules made there under and includes any amendment or enactments thereof.

'Board of Directors' or **'Board'** means the Board of Directors of MIRC Electronics Ltd., as constituted from time to time.

'Independent Director' means a Director of the Company who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

"MIRC" means MIRC Electronics Ltd. or the Company.

"Policy" means Policy on Material Subsidiary.

"Material Non Listed Indian Subsidiary" means a unlisted subsidiary incorporated in India and

whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

"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 material unlisted subsidiary for the immediately preceding accounting year.

"Subsidiary" shall mean a subsidiary as defined under 2 (87) under the Companies Act, 2013.

3. POLICY:

1. At least one Independent Director of MIRC shall be a Director on the Board of the Material Non - Listed Indian Subsidiary Company.
2. The Audit Committee of the Board of MIRC shall review the annual financial statements, in particular, the investments made by the unlisted Subsidiary(ies).

3. The Minutes of the meetings of the Board of Directors of the unlisted Subsidiary (ies) shall be placed before the Board of Directors of the Company.
4. The Management shall periodically bring to the attention of the Board of Directors of MIRC, a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary(ies).

4. DISPOSAL OR CEASE TO CONTROL OF MATERIAL SUBSIDIARY.

MIRC shall not without the prior approval of the members by a special resolution:

- (a) Dispose shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% ; or
- (b) Cease the exercise of control over the Material Subsidiary ; or
- (c) Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year ;

Except in cases where such divestment, sale, disposal, lease as the case may be is made under a Scheme of Arrangement duly approved by the Court / Tribunal.

5. DISCLOSURE:

The Policy on determining Material Subsidiaries shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

6. MISCELLANEOUS

The Board of Directors of MIRC has adopted the Policy and procedure with regard to determining Material Subsidiaries as required under Clause 49 of the Listing Agreement.

In case of change or amendment in the Act and the in the listing agreement the same shall have precedent and will override the provisions of this policy.

The Board of Directors of MIRC may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
