



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

MINI DIAMONDS (INDIA) LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors (the "Board") of Mini Diamonds (India) Limited (the "Company"), has adopted the following policy for determination of "Material Subsidiaries". The Board may review and amend this Policy from time to time. This Policy is in compliance with the provisions of Companies Act, 2013 ("Act") and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "Listing Regulations").

The primary objective of this policy is to determine material subsidiaries of the Company.

2. DEFINITIONS

- 2.1 **"the Company"** means Mini Diamonds (India) Limited.
- 2.2 **"the Act"** means the Companies Act, 2013 including the rules thereunder and any amendment(s) or modification(s) or re-enactment(s) thereof from time to time.
- 2.3 **"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s) or modification(s) or re-enactment(s) thereof from time to time.
- 2.4 **"Audit Committee"** means "Audit Committee" constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.
- 2.5 **"Board of Directors"** or **"Board"** means Board of Directors of Mini Diamonds (India) Limited, as constituted from time to time.
- 2.6 **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 2.7 **"Independent Director"** means an Independent Director on the Board of Directors of the Company, in accordance with Section 149(6) of the Companies Act, 2013, and/or Regulation 16(b) of the Listing Regulations, 2015.



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- 2.8 **“Management”** means the Senior Management and Key Managerial Personnel of the Company.
- 2.9 **“Subsidiary”** means subsidiary company as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder.
- 2.10 **“Material Subsidiary”** shall mean a subsidiary, whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 2.11 **“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten percent) 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.
- 2.12 **“Unlisted Subsidiary”** shall mean a Subsidiary whose securities are not listed on any recognized Stock Exchanges.
- 2.13 **“Net worth”** shall mean net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013 as may be amended from time to time.
- 2.14 **“Policy”** means this Policy on determination of Material Subsidiaries.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or Listing Regulations or any other applicable law or regulations.

3. SCOPE & APPLICABILITY

- 3.1 The Subsidiary shall be considered as “Material” as defined in clause 2 above.
- 3.2 In case if the Company has a listed subsidiary, the policy shall apply to the listed Subsidiary in so far as its subsidiaries are concerned.

4. POLICY

- 4.1 At least one Independent Director shall be a director on the Board of Directors of the Unlisted Material Subsidiary, whether incorporated in India or not.
- 4.2 For the above mentioned clause, the term Material Subsidiary shall mean a Subsidiary, whose turnover or net worth exceeds 20 percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding



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accounting year, notwithstanding anything to the contrary as defined in the Policy.

4.3 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary on an annual basis.

4.4 The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.

4.5 The management of the unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiary.

4.6 The Company shall not without the prior approval of the Shareholders by way of Special resolution:

- i. Dispose off shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (Fifty Percent) or cease the exercise of control over the Subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal/Company Law Board 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.
- ii. Sell, dispose or lease of assets amounting to more than 20 percent of the assets of the Material Subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board 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.

However, prior approval of shareholders shall not be required for sale, disposal or lease of assets between two wholly owned subsidiaries of the Company.

4.7 Every material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the Company.

5. DISCLOSURES

This Policy shall be disclosed on the Company's website i.e. www.minidiamonds.net.



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6. AMENDMENTS TO THE POLICY

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. EFFECTIVE DATE

This policy is adopted pursuant to the Listing Regulations and approved by the Board of Directors in its meeting held on February 13, 2025 and effective from date of approval of the Board of Directors viz. February 13, 2025.

8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Listing Regulations/the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.