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# THE MOTOR & GENERAL FINANCE LIMITED

M.G.F. HOUSE,

Regd. & H.O. : 4/17-B, ASAF ALI ROAD, NEW DELHI-110 002

CIN NO. : L74899DL1930PLC000208

## BOARD'S DIVERSITY POLICY

### INTRODUCTION

In terms of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under part D, Schedule II to the said Regulation, a Board Diversity Policy is to be framed. The Policy has been approved by Nomination and Remuneration Committee.

### PURPOSE

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Directors (Board) of The Motor & General Finance Limited (MGF) and enable the Board to have broad spectrum of demographic attributes.

### VISION

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

### POLICY STATEMENT

MGF recognizes that a truly diverse Board will have the benefit of leverage difference in the skills, knowledge, thoughts, perspective, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board. All the appointments on Board will be made on merit, skills, experience and knowledge which the Board as a whole requires to be effective. The strength of the directors on the Board shall be in compliance with the Articles of Association. The Board of Directors of the company shall have optimum combination of Managing Director, Joint Managing Director, Executive and Non-Executive Directors with atleast one woman Director. The Nomination and Remuneration Committee have identified persons who are qualified to become directors and have accordingly recommended to the Board for their appointment and renewal and shall carry out evaluation of every director's performance. In this regard MGF shall continue to provide sufficient information to shareholders about the qualification, experience and expertise of each Board member in the Annual Report.

### MONITORING AND REPORTING

The Nomination & Remuneration Committee will report annually in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.



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## REVIEW OF THIS POLICY

The Nomination & Remuneration Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination & Remuneration Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## DISCLOSURE OF THIS POLICY

This policy will be uploaded on the Company's website [www.mgftd.com](http://www.mgftd.com) for public information.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulations 25(7) of the SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015, the company shall periodically familiarize the Independent Directors with the company, nature of the industry in which the company operates, business model of the company, their role, responsibilities in the company, rights etc., through various programmes.

## PURPOSE

The Familiarization programme are aimed to familiarize the independent Directors with the company, their roles, responsibilities in the company, nature of industry in which the company operates and business model of the company by imparting suitable training sessions.

## OBJECTIVES

Whenever a new Independent Director is introduced on the Board of the company, a meeting is arranged with the Chairperson, Directors, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the company's business activities.

New Independent Directors are provided with copy of Memorandum and Article of Association, latest Annual Report, the Code of Conduct of the company.

## FAMILIARIZATIO PROGRAMME

The Directors get an opportunity to visit company officers prior to the Board Meetings. Agenda containing statutory compliance report, reports on action points, formation of company's policies are circulated. On quarterly basis presentations on operational and financial performance of the company are made to the Board including information on business performance, operation, financial parameters, working capital management, fund flows etc.

All Material Information/updates of the company to the Stock Exchanges are updated with Directors for their information and records.

## REVIEW AND REVISION:

The familiarization process will be revised from time to time in order to provide more information to Independent and Non-Executive Directors to enable them to contribute significantly to the growth of the company.



## THE MOTOR & GENERAL FINANCE LTD

### POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

#### 1. COMMITMENT:

The Company is committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity.

It will not tolerate any form of sexual harassment. It will take all necessary steps to ensure that its employees are not subjected to any form of harassment.

#### 2. SCOPE:

This policy applies to all categories of employees of the company.

#### 3. DEFINITION OF SEXUAL HARASSMENT :

Sexual harassment may be one or a series of incidents involving unsolicited and unwelcome sexual advances, requests for sexual favours, or any other verbal or physical conduct of sexual nature.

#### 4. RESPONSIBILITIES REGARDING SEXUAL HARASSMENT:

All employees of the company have a personal responsibility to ensure that their behavior is not contrary to this policy and maintain cordial work environment.

#### 5. COMPLIANT MECHANISM

An appropriate Redressal Committee has been created in the company for time bound redressal of the complaint made by the victim.

#### 6. REDRESSAL COMMITTEE

Initially and till further notice, the Redressal Committee being constituted will comprise of the following two members only:-

- i) Vice President
- ii) Company Secretary

The Redressal Committee is responsible for:

- i) Investigating written complaint
- ii) Taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment
- iii) Discouraging and preventing employment related to sexual harassment.

#### 7. PROCEDRES FOR RESOLUTION , SETTLEMENT OR PROSECUTION OF ACTS OF SEXUAL HARASSMENT:

The Company is committed to providing a supportive environment to resolve concerns of sexual harassment as under:-

##### A. Informal Resolution Options

When an incident of sexual harassment occurs, the victim can request the harasser to behave decently. If the harassment does not stop or if victim is not comfortable with addressing the harasser directly, the victim can bring her concern to the attention of the Redressal Committee for redressal of her grievances. The Redressal Committee will thereafter provide advice or extend support as requested and will undertake prompt investigation to resolve the matter.



## THE MOTOR & GENERAL FINANCE LIMITED

: 2 :

### **B. Complaints:**

- i. An employee disclosing about herself with a harassment concern may make a formal complaint in writing in the form of a letter to the Company Secretary within 15 days from the date of occurrence of the alleged incident.
- ii. The Company Secretary will proceed to determine whether it falls under the purview of Sexual Harassment, preferably within 30 days from receipt of the complaint and in case it does not fall within the parameter, he will record his reasoning in writing.
- iii. Where such conduct on the part of the accused, amounts to a specific offence under the Law, the company shall initiate appropriate action in accordance with law by making a complaint with the appropriate authority.
- iv. The Redressal Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Executive Director not later than 90 days from the date of receipt of the complaint. The Executive Director will ensure corrective action on the recommendations of the Redressal Committee and keep the complainant informed of the same.

Corrective action may include any of the following:-

- a. Formal apology
- b. Counselling
- c. Written warning to the perpetrator and a copy of it maintained in the employee's file.
- d. Change of work
- e. Suspension or termination of services of the employee found guilty of the offence.
- f. In case the complaint is found to be false, the complainant shall, if deemed fit, be liable to appropriate disciplinary action by the Management.

### **8. CONFIDENTIALITY**

To protect the interest of the victim, the accused person and others who may report incidents of sexual harassment, confidentiality will be maintained throughout the investigatory process.

### **9. PROTECTION TO COMPLAINANT/VICTIM**

The company will ensure that the victim who brings a harassment complaint or witnesses are not victimized or discriminated against while dealing with complaints of sexual harassment.

However, any one who abuses the procedure (for example, by maliciously putting an allegation knowing it to be untrue) will be subject to disciplinary action.

### **10. CONCLUSION**

In conclusion, the company reiterates its commitment to providing its employees, a workplace free from harassment/discrimination and where every employee is treated with dignity and respect.



**THE MOTOR & GENERAL FINANCE LIMITED**  
**CIN : L74899DL1930PLC000208**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY(IES)**

**1. Introduction:**

The Securities and Exchange Board of India(SEBI) on 2<sup>nd</sup> September,2015 issued Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations,2015(hereinafter referred to as the "Regulations") with the aim to consolidate and streamline the provisions of listing agreements thereby ensuring better enforceability and bringing the basic framework governing the regime of Listed Entities in line with the Companies Act,2013 and at the same time complying all the mandates of varied SEBI Regulations/Circulars.

In terms of Regulation 16(1)( c) of the Regulations, the company was required to formulate and implement a policy for determining 'Material Subsidiaries. The Board of Directors of The Motor & General Finance Limited(the "Company") had adopted the Policy for determining for Material Subsidiary(ies) and procedures with regard to determination of material subsidiary(ies) at their meeting held on February 13,2020. At the time of formulating the Policy, the company had no material subsidiaries and there was no immediate applicability. However, the Policy was devised in order to cater to the needs of the company in future when the company would have a material subsidiary(ies).

The Board of Directors of the company approved and adopted the 'Policy for Determining Material Subsidiary(ies) on February 13,2020.

**2. Objective**

The objective of this Policy is to set forth the criteria towards ascertaining Material Subsidiaries of the company and to provide a governance framework for such material subsidiaries.

**3. Definitions:**

**"Act"** means the Companies Act,2013 and the Rules framed thereunder:

**"Audit Committee"** means Committee constituted pursuant to Section 177 of the Companies Act,2013 read with Regulation 18 of SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, including any statutory modification(s) or re-enactment(s) thereof.

**"Board of Directors" or "Board"** means the Board of Directors of the company, as constituted from time to time.

**"Company"** means The Motor & General Finance Limited.

**"Control"** shall have the same meaning as assigned to the term in SEBI(Substantial Acquisition of Shares and Takeovers) Regulations,2011

**"Independent Director"** shall have the meaning as ascribed to the term under Regulation 16(1)(b) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations,2015 read with Section 149 of the Companies Act,2013, including any modifications, amendments, clarifications, circulars or re-enactments thereof.





**“Insolvency Code”** means Insolvency Code as defined under Regulation 2(1)(na) of SEBI(LODR) Regulations,2015, including any modification, amendments, clarifications, circulars or re-enactment thereof.

**“Material Subsidiary”** shall have the meaning as stated in paragraph 4 of this Policy.

**“Net Worth”** means net worth as defined in Section 2(57) of the Companies Act,2013 read with Regulation 2(1) (s) of SEBI(LODR) Regulations,2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

**“Policy “** means this Policy for determining Material Subsidiaries.

**“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the

- i) total revenues; or
- ii) total expenses; or
- iii) total assets; or
- iv) total liabilities;

as the case may be, of the Unlisted Subsidiary for the immediately preceding accounting year.

**“Stock Exchange”** means BSE Limited and National Stock Exchange of India Limited.

**“Subsidiary “** shall be as defined under Section 2(87) of the Companies Act,2013 and the Rules made thereunder.

**“Unlisted Material Subsidiary “** means a Subsidiary whose equity shares are not listed on any recognized stock exchange.

#### **4. Determination of Material Subsidiary:**

A Subsidiary of the company shall be considered as a Material Subsidiary , if the income or net worth of the Subsidiary exceeds 10% of the consolidated income or net worth respectively of the company and its subsidiaries as per the audited financial statements of the immediately preceding financial year.

The company shall, on formation of a Subsidiary, at the end of every year, determine whether the Subsidiary falls under the criteria for Material Subsidiary as defined above. In case the Subsidiary falls under such criteria, the same is to be reported to the Board for its nothing at the first instance.

#### **5. Governance Framework**

- i). The Audit Committee of the company, shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary company.
- ii) The minutes of the Board Meetings of the Unlisted Subsidiary companies shall be placed at the Board meeting of the company.
- iii) At least one independent director on the Board of Directors of the company shall be a director on the Board of Directors of unlisted Material Subsidiary, whether incorporated in India or not.





For the purpose of the above mentioned point 3, the term "material subsidiary" means a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

- iv) The management of the Unlisted Subsidiary shall quarterly bring to the notice of the Board of the company, a statement of all significant Transactions(s) and Arrangement entered into by the Unlisted Subsidiary(ies).

#### **6. Disposal of Material Subsidiary:**

The company shall not:

- i. dispose of shares in its Material Subsidiary resulting in reduction of 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 321 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 and lease assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during the financial year without obtaining 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 as event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### **7. Disclosures**

This Policy shall be disclosed on the website of the company [www. mgf ltd.com](http://www.mgf ltd.com) and a web link thereto shall be provided in the Annual Report of the company.

#### **8. Amendments:**

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure the Objective of good corporate governance.

#### **9. Scope and Limitations:**

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

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# MGF

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GSTIN : 07AAACT2356D2ZN

## THE MOTOR & GENERAL FINANCE LIMITED

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Regd. & H.O. : 4/17-B, ASAF ALI ROAD, NEW DELHI-110 002

Non Executive Directors are paid meeting fee of Rs. 5000/- per meeting for attending the Board Meeting. No meeting fee is paid for attending the Committee Meeting.

Sunit Sharma is the contact person for assisting and handling the investor's grievances and his email address is as under:

[sunit\\_sharma06@yahoo.co.in](mailto:sunit_sharma06@yahoo.co.in)





**THE MOTOR & GENERAL FINANCE LIMITED**  
**Registered Office: 4/17-B, ASAF ALI ROAD, NEW DELHI-110002**  
**CIN NO.L74899DL1930PLC000208**

**SUCCESSION POLICY FOR APPOINTMENTS TO THE BOARD  
AND SENIOR MANAGEMENT**

**1. BACKGROUND:**

This Securities and Exchange Board of India ("SEBI") issued the SEBI(Listing Obligations and Disclosure Requirements)Regulations,2015(hereinafter referred to as the "LODR Regulations") on September 02,2015, effective from December 01,2015, with an aim to consolidate and streamline the provisions of existing listing agreements thereby ensuring better enforceability.

Regulation 17(4) of SEBI(LODR) Regulations,2015, inter alia, reads, the Board of Directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

**2. OBJECTIVE**

The objective of this Policy is to make a plan for orderly succession for appointment to the Board of Directors and Senior Management.

**3. DEFINITIONS**

- i) Nomination & Remuneration Committee or "Committee" means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of Regulation 19 of the SEBI(LODR) Regulations,2015 read with Section 178 of the Companies Act,2013, as in force.
- ii) "Board of Directors" or "Board" means the Board of Directors of The Motor and General Finance Limited as constituted/re-constituted, from time to time.
- iii) "Company" means **The Motor and General Finance Limited**
- iv) "Policy" or "this Policy" means Succession Policy.
- v) "Senior Management" means personnel of the company who are members of its management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

**4. PROCEDURE**

**i) Board & KMP Level Appointments:**

The Nomination and Remuneration Committee(NRC Committee) of the company shall identify suitable persons from amongst the existing top management personnel or from the outside to fill up the vacancy at the Board and KMP level. The appointment of the person at the Board & KMP level shall be in accordance with the applicable provisions of the Companies Act,2013,read with terms of Corporate Governance as may be amended from time to time, and other laws as applicable to the company.





**ii) Senior Management Level Appointment:**

The vacancy at Senior Management level shall be filled up by the Chairman & Managing Director in line with the internal policy adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

**5. EMERGENCY SUCCESSION**

If a Director's slot/Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the NRC Committee's Chairman in consultation with the Chairman & Managing Director/Executive Directors shall convene a special meeting as early as possible to implement the process described herein, subject to the necessity involved.

**6. REVIEW AND MONITORING**

The Board, in consultation with the Chairman & Managing Director, shall review and monitor the implementation of this Policy from time to time to ensure its effectiveness and for ensuing effective succession planning.

**7. AMENDMENTS TO THE POLICY**

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board in consultation with the Chairman & Managing Director reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

**8. DISCLOSURE OF THE POLICY**

The company shall disclose this Policy on its website. The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI(LODR) Regulations,2015 and Companies Act,2013.

