

MADHAV MARBLES AND GRANITES LIMITED
CIN: L14101RJ1989PLC004903

**POLICY FOR
DETERMINING
MATERIAL SUBSIDIARIES**

Introduction:

The Board of Directors of Madhav Marbles and Granites Limited (the “Company”) has formulated policy and procedures with regard to determination of material subsidiary (ies). The Board may review and amend this Policy from time to time.

Governing Laws:

Regulation 16 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires a listed company to frame a policy for determining a “material” subsidiary, which shall be hosted on the website of the Company and the web link of the same is to be disclosed in the section titled as ‘Corporate Governance Report’ of the Annual Report of the Company.

Objective:

This Policy lays down the criteria for determining and dealing with material subsidiary of the Company and also intends to ensure governance framework for such Material Subsidiary.

Definitions:

- **“Audit Committee”** means the committee formed under Section 177 of the Companies Act, 2013.
- **“Board of Directors”** or the “Board” shall mean the board of Directors of the Company, as constituted from time to time;
- **“Control”** means Company shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- **“Directors”** mean all the Directors on the Board.
- **“Independent Director”** means a non- executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

- **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.
- **“Subsidiary”** means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.
- **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiary in the immediately preceding accounting year.
- **“Significant Transaction or Arrangement”** shall mean 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 material subsidiary for the immediately preceding accounting year.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

Governance Framework:

- **Independent Director**

At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Subsidiary Company.

- **Financial Statements of Unlisted Subsidiary company**

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

- **Minutes of Meeting**

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.

- **Significant Transactions/Arrangements**

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 or Arrangements entered into by the unlisted subsidiary.

- **Restriction on Disposal of Shares**

The Company shall not dispose of the 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 to exercise 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.

- **Restriction on Disposal of Assets of Material Subsidiary**

The Company shall not 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 without the prior approval of its shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

- **Disclosure**

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

- **Disclosure of Events or Information**

The Company shall disclose all events or information with respect to subsidiary, which are material for the Company as per Regulation 30(9) of the Listing Regulation.

Amendments

This Policy may be amended by the Board from time to time to be in line with any amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Act and such other guidelines as may issued in this regard.