

## **M.K.EXIM (INDIA) LIMITED**

### **Policy for determining Material Subsidiary**

**1. Introduction:** In terms of regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, (“the Listing Regulations”), the Board of Directors of M. K. Exim (India) Limited (“the Company”) has adopted this policy for determining Material Subsidiaries.

**2. Objective:** The objective of the policy is to define the Material Subsidiary of M. K. Exim (India) Limited and to provide good corporate governance framework of such subsidiaries in compliance with the applicable regulatory requirements.

#### **3. Interpretation & Definitions:**

The terms and expressions not defined hereunder shall have the same meaning as defined under the Companies Act, 2013, SEBI Act, 1992 and the Listing Regulations.

(a) “Board” or “Board of Directors” means the Board of Directors as defined under Section 2(10) of the Companies Act, 2013.

(b) “Audit Committee” means the Committee constituted by the Board from time to time under Section 177(1) of the Companies Act, 2013 and regulation 18(1) of the Listing Regulations.

(c) “Independent Director” means an Independent Director of the Company as defined in Section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the Listing Regulations.

(d) “Material Subsidiary” means 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.

(e) “Subsidiary Company” means Subsidiary Company as defined under Section 2(87) of the Companies Act, 2013.

(f) “Significant Transaction or Arrangement” means any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

#### **(4) Procedure and Policy:**

(a) At least one independent director of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.

(b)The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

(c)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.

(d)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.

(e)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 fifty percent 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.

(f)Selling, disposing and leasing of assets amounting to more than twenty percent 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.

**(5)Applicability on Listed Subsidiaries:**

This policy shall be applicable to all listed subsidiaries of the Company with respect to their Subsidiaries.

**(6)Disclosure:**

The Policy on Material Subsidiaries shall be disclosed on the Company's Website and a web link thereto shall be provided in the annual report.

**(7)Amendment:**

The Board of Directors may review and amend the abovementioned policy from time to time in accordance with the applicable laws. Any subsequent notification, circular, guidelines or amendments under Listing Regulation and other applicable laws as may be issued from time to time shall be mutatis mutandis applicable without further modification or amendment in this Policy.

Sd/-  
Chairman