

# **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

## **(MARBLE CITY INDIA LIMITED)**

### **INTRODUCTION**

Explanation to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) requires every listed company to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under a separate section on its website.

This policy for determining a Material Subsidiary (**“Policy”**) of the Company has been formulated and adopted by the Board of the Company, in accordance with the Listing Regulations. The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the Listing Regulations.

### **DEFINITIONS**

**“Act”** means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

**“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 reenactment(s) thereof.

**“Subsidiary Company or Subsidiary”** means a subsidiary company as defined under 2(87) of the Companies Act, 2013.

**“Material Subsidiary”** shall mean a subsidiary as defined in Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

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

**“Significant Transaction”** means a transaction as defined under Regulation 24(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

**“Net Worth”** means net worth as defined in Section 2(57) of the Companies Act, 2013 read with Regulation 2(1)(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or reenactments thereof.

**“Income / Revenue”** means Total Income (including other income) as per the latest audited financial statements of the Company.

### **GOVERNANACE FRAMEWORK**

Explanation to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) requires every listed company to comply the corporate governance requirements with respect to subsidiary of listed entity.

Explanation – For the purposes of this provisions, material subsidiary means a subsidiary as defined under Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or reenactment(s) thereof.

The minutes of the Board meetings of the Unlisted Subsidiary companies shall be placed at the Board Meeting of the Company.

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.

The management of the Unlisted Subsidiary shall bring to the notice of the Board of the Company, a statement of all Significant Transaction(s) and Arrangement entered into by the Unlisted Subsidiary/ies.

The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary company.

## **DISPOSAL OF MATERIAL SUBSIDIARY**

The Company shall not dispose of shares in the 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 / postal ballot.

The Company shall not sell, dispose of or lease out assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during the financial year without prior approval of shareholders by way of special resolution.

Provided that the provisions of Para II (a) & (b) shall not be applicable if the divestment or sale or disposal or 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 an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

## **AMENDMENTS**

The policy is a public document and shall be uploaded on the website of the Company. The Board shall have the power to amend the policy or replace the policy entirely with a new policy. However, the Company Secretary and Global Chief Financial Officer are jointly authorized provide clarifications or to amend the Policy to give effect to any changes / amendments notified by the Securities Exchange Board of India. Consequently, the policy shall be placed before the Board for their noting and ratification.