



CIN: L27101WB1985PLC039503

Regd. Office: 'Ideal Centre', 4th Floor, 9 AJC Bose Road, Kolkata – 700 017

e-mail: office@maithanalloys.com, website: www.maithanalloys.com

Ph.: 033- 4063-2393; Fax: 033-2290-0383

POLICY ON `MATERIAL' SUBSIDIARY

(Adopted by the Board of Directors on 28th January, 2019 to be effective from 1st April, 2019)

1. INTRODUCTION

The Board of Directors (the "Board") of **Maithan Alloys Limited** (a listed holding company having subsidiary companies, being unlisted bodies corporate in India) has adopted this policy for determining `Material' subsidiary.

This policy will be applicable to **Maithan Alloys Limited** (the "Company") and is primarily intended to ensure compliance with the provisions of Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. DEFINITIONS

"Audit Committee" or "Committee" means "Audit Committee" constituted by the Board of Directors of the Company under the provisions of Listing Regulations and the Companies Act, 2013, from time to time.

"Board of Directors" or "Board" means the Board of Directors of Maithan Alloys Limited.

"Holding Company" means a holding company as defined in sub-section (46) of section 2 of the Companies Act, 2013;

"Income" or "income" shall mean `Total Revenue' of `Total Income' (including other income) as per the audited Financial Statements of the previous financial year.

"Listed company" means a company which has any of its securities listed on any recognized stock exchange.

"Net worth" or "net worth" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

"Subsidiary Company" or "Subsidiary" means subsidiary company as defined in sub-section (87) of section 2 of the Companies Act, 2013.

All other words and expressions used but not defined in this Policy, but defined in the Listing Regulations or Companies Act, 2013, and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Act or Rules or Regulations including any statutory modification or re-enactment thereto, as the case may be.

3. POLICY

3.1 Identification of material subsidiary company

A material subsidiary company shall be identified on the following basis:

A subsidiary company shall be considered as 'material' if it satisfies the criteria stated in sub clause (c) of clause (1) of Regulation 16 to the Listing Regulations.

3.2 Compliances under the Regulation 24 of the Listing Regulations, with respect to unlisted subsidiary company

- a) The Audit Committee of the listed holding company, i.e. Maithan Alloys Limited, shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- b) The minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board Meeting of the listed holding company i.e. Maithan Alloys Limited.
- c) The management of unlisted subsidiary company should periodically bring to the attention of the Board of Directors of the listed holding company i.e. Maithan Alloys Limited, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

Explanation: For the purpose of clause 3.2 above the term 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 subsidiary for the immediately preceding accounting year.

3.3 Compliances under the Regulation 24 of the Listing Regulations, with respect to material subsidiary company

- a) The Company shall not dispose of shares in its material subsidiary which would reduce 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 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.
- b) Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the holding company (i.e. Maithan Alloys Limited) 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 an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

3.4 Compliances with respect to unlisted material subsidiary company

At least one independent director on the Board of Directors of the holding listed company (i.e. Maithan Alloys Limited) shall be a director on the Board of Directors of unlisted material subsidiary, whether incorporated in India or not.

For the purpose of this clause only, word "Material Subsidiary" shall have same meaning as provided in Explanation to Clause (1) to Regulation 24 to the Listing Regulations.

4. DISCLOSURES

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

5. AMENDMENTS TO THE POLICY

The Board of Directors or the Chairman or the Executive Director, on its own 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 any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions, then such amendment(s), clarification(s), circular(s) etc. shall prevail over the provisions hereinabove and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

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