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MARAL OVERSEAS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. INTRODUCTION

SEBI has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on September 2, 2015. As per Regulation 16 of Listing Regulations, every listed entity is required to frame a policy for determining "material" subsidiary.

In compliance with the aforementioned statutory requirements, the Company has formulated this policy for determining "material" subsidiary of the Company.

2. DEFINITIONS

(i) **"Act"** means the Companies Act, 2013 & rules made thereunder, including any amendments or modifications thereof.

(ii) **"Audit Committee"** means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Listing Regulations.

(iii) **"Board"** means the board of directors of the Company, as constituted from time to time.

(iv) **"Company"** means Maral Overseas Limited.

(v) **"Independent Director"** means an Independent Director as defined under the Act and the SEBI Listing Regulations from time to time.

(vi) "**Holding company**", means a holding company as defined under Section 2(46) of the Act.

(vii) "**Insolvency Code**", means Insolvency and Bankruptcy Code, 2016, as amended.

(viii) "**Material Subsidiary**" means a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

(ix) "**Net Worth**" means the aggregate value of the paid-up share capital and all reserves created out of the profits ,securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(x) "**Subsidiary**" means a subsidiary as defined under the Companies Act, 2013.

(xi) "**Turnover**" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

(xii) "**Unlisted Subsidiary**" means a Subsidiary of the Company whose shares are not listed on any stock exchange(s).

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable regulations.

3. IDENTIFICATION OF 'MATERIAL' SUBSIDIARY

A subsidiary shall be considered as 'material'

A Subsidiary of the Company shall be regarded as Material Subsidiary if it falls under the criteria of the definition provided above.

The Audit Committee shall review such details / information as may be required to determine the 'Material Subsidiaries' from time to time.

4. GOVERANCE FRAMEWORK WITH RESPECT TO SUBSIDIARY OF LISTED ENTITY

(a) Appointment of Independent Director

At least one Independent Director on the Board of the Company shall be appointed as a Director on the Board of Directors of the unlisted material subsidiary, incorporated in India or not.

For the purposes of this requirement, "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent (20%) of the consolidated turnover or net worth respectively,

of the Company and its subsidiaries in the immediately preceding accounting year."

(b) Matter to be reviewed by the Audit Committee

The Audit Committee shall, in line, review:

- The financial statements, in particular, the investments made by the unlisted subsidiary.
  Utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

(c) Matter to be reviewed by the Board

- The minutes of the meetings of the Board of Directors of the unlisted Material subsidiary shall be placed at the meeting of the Board for review and consideration.

- 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.

  For the purposes of this requirement, Significant Transaction or Arrangement" shall mean 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 subsidiary for the immediately preceding accounting year.

(d) Disposal of shares or Assets of Material Subsidiary

- The Company shall not 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 or equal to 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 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.

- The Company shall not Sell, dispose and lease 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 of the Company 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.

(e) Disclosure under Regulation 30 of Listing Regulations

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

(f) Secretarial Audit

The Unlisted Material Subsidiaries incorporated in India, shall undertake Secretarial Audit by a Secretarial Auditor who shall be Peer Reviewed Company Secretary and the secretarial audit report shall be annexed in the annual report of the Company.

5. POLICY REVIEW

This policy shall be subject to review as may be deemed necessary and in accordancewith any regulatory amendments.

6. DISPLAY/DISCLOSURE

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

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