

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES
OF
MANAKSIA LIMITED**

This Policy shall be called 'Policy for determining Material Subsidiaries'.

OBJECTIVE:

- a. This Policy was framed in accordance with the requirement of revised clause 49 of the listing agreement (including any amendments thereof) effective from 1st October 2014 and was intended to ensure governance of the Material Subsidiary(ies) (defined hereunder) of Manaksia Limited (the '**Company**').
- b. The policy was approved by the Board of Directors of the Company at its meeting held on 7th November, 2014. To align the existing policy with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations, 2015**'), amendments have been carried out in the policy and the same was approved by the Board of Directors of the Company at its meeting held on 11th February, 2016.
- c. In view of the amendments made vide SEBI Notification dated 5th May, 2018 in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Policy has been amended with effect from 1st April, 2019
- d. The Company is required to disclose the policy on its website and a weblink thereto shall be provided in the Annual Report.

Definitions

"Applicable Law" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder and includes any other statute, law, standards, regulations or other governmental instruction relating to corporate governance;

"Audit Committee" shall mean the committee of the Board of Directors constituted as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, 2015;

"Board" means the Board of Directors of Manaksia Limited

"Company" means Manaksia Limited

"Material non-listed Subsidiary" or **"Material Unlisted Subsidiary"** shall mean a Subsidiary, whose securities are not listed on any recognized stock exchanges of India and whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

“Material Subsidiary (ies)” shall mean a Subsidiary, whose income or net worth exceeds ten per cent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Policy” means this Policy, as amended from time to time.

“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 Material Unlisted Subsidiary for the immediately preceding accounting year.

“Subsidiary” shall derive the meaning as provided under sub-section (87) of Section 2 of the Companies Act, 2013;

“Unlisted Subsidiary” shall mean a Subsidiary whose securities are not listed on any of the recognized stock exchanges of India.

INTERPRETATION:

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it under the Applicable Law.

PROCESS OF DETERMINATION AND COMPLIANCES IN RESPECT OF MATERIAL SUBSIDIARIES

- a) The management shall, on an annual basis, present before the Audit Committee the list of the Subsidiaries together with the details of the materiality defined herein which shall also be placed before the Board. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material non- listed Subsidiary.
- b) Once a Subsidiary is identified as Material Subsidiary, the Company shall adhere to the following procedures:
 - i. The Company shall not dispose of the shares of the 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.
 - ii. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary shall require prior approval of shareholders of the Company by way of special resolution.
 - iii. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of a Material non- listed Subsidiary incorporated in India or not.

Explanation- For the purposes of this provision, notwithstanding contrary to the definition of “Material Unlisted Subsidiary” or “Material Non- Listed Subsidiary” of this policy, the term “material subsidiary” shall mean 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.”

GENERAL COMPLIANCES IN RESPECT OF OTHER SUBSIDIARIES

Apart from the above, the following general compliances shall be adhered to by the Company with respect to all its Subsidiaries, whether or not they are Material Subsidiaries:

- a) The Audit Committee and the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary, on a quarterly basis.
- b) The Audit Committee shall review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the concerned subsidiary, whichever is lower, including existing loans/advances/investments existing as on the date of coming into force of this provision or such other threshold as may be prescribed from time to time under Applicable Law or decided by the Board.
- c) The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.
- d) The management 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 Company.
- e) In case a listed Subsidiary, which is itself a holding company, the above provisions shall apply to such listed Subsidiary insofar as its Subsidiaries are concerned.
- f) The Indian Material non- listed Subsidiary undertakes a secretarial audit through a company secretary in practice.
- g) The Company shall disclose all events or information with respect to its Subsidiaries, which are material for the Company as defined/ determined in the Policy of Determination of Materiality in the manner as provided in the said Policy.
- h) The Company shall place, on its website, the separate audited financial statements of each Subsidiary in respect of a relevant financial year, at least 21 days prior to the date of the annual general meeting of the Company.

AMENDMENTS:

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

The Board or the Audit Committee of the Board (“Audit Committee”) subject to confirmation by Board, may review and amend this Policy from time to time.