

Mukand Engineers Limited

Kalwe Works : Thane-Belapur Road,
Post Office Kalwe, Thane, Maharashtra
India 400 605.

Tel: 91 22 2172 7500 / 7700 F: 91 22 2541 0291
E: mel@mukand.com

Regd Office: Bajaj Bhavan, Jamnalal Bajaj Marg,
226 Nariman Point, Mumbai, India 400 021.

www.mukandengineers.com

CIN L45200MH1987PLC042378

POLICY FOR DETERMINING 'MATERIAL SUBSIDIARY'

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. STATUS

Explanation to Regulation 16(1) (c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides that every listed entity shall formulate a policy for determining 'material subsidiary'.

II. POLICY

1. A subsidiary of the Company shall be considered as "material subsidiary" if the income or net worth of such subsidiary exceeds ten percent of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.
2. Significant transaction or arrangement shall have the same meaning as per explanation to Regulation 24(4) of SEBI (LO&DR) Regulations, which reads as follows:
"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 material subsidiary for the immediately preceding accounting year.
3. At least one independent director on the board of directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary of the Company, incorporated in India.
4. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
5. The minutes of the meetings of the Board of Directors of the unlisted subsidiary/ies shall be placed at the meeting of the board of directors of the Company.
6. 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.

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7. 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 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.
8. 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.

III. REVIEW OF THE POLICY

The Committee and/ or Board may review, alter, amend or modify the Policy from time to time in line with the requirement of the Companies Act, 2013, SEBI LODR Regulations or any other statutory provisions applicable to the Company.

[The above policy is approved by the Board of Directors at their Meeting held on 11th February, 2016 and the same was *amended and approved by the Board of Directors at their meeting held on 12th February, 2019.]

Date: 12th February, 2019
Place: Mumbai

Sd/-
Rajesh V. Shah
Chairman
(DIN No: 00021752)