

POLICY ON MATERIAL SUBSIDIARIES
MARINE ELECTRICALS (INDIA) LIMITED

1. OBJECTIVE

1.1. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for such material subsidiary(ies), if any of Marine Electricals (India) Limited (“Marine ” or “the Company”).

2. DEFINITIONS

2.1. Material Subsidiary:

As per LODR “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

2.2. Significant transactions or arrangements:

Significant transactions or arrangements 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. GOVERNANCE FRAMEWORK

3.1. All Subsidiaries:

- a) Minutes of the Board meetings of Subsidiary Companies, if any, shall be placed before the Board of Directors of Marine on quarterly basis;
- b) a statement of all significant transactions and arrangements entered into by the Subsidiary Companies during the quarter shall be brought to the attention of the Board of Directors of Marine on quarterly basis;
- c) the Audit Committee of Marine shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Company on an annual basis;
- d) any transaction between Marine and its Subsidiary Company shall be entered into in accordance with Related Party Transaction Policy of the Company.

3.2. Material Subsidiaries:

- a) the list of Material Subsidiaries shall be placed before the Audit Committee of Marine on an annual basis;

b) at least one Independent Director on the Board of Marine shall be appointed as a Director on the Board of material unlisted Indian Subsidiary Company. *(For the purposes of this provision, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.);*

c) any proposal for disposal of shares in Material Subsidiary, such that the shareholding in the Company may reduce to less than fifty percent or Marine would cease to exercise control over the entity, shall be subject to passing of Special Resolution in 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

d) any proposal for 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, 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.

4. RESPONSIBILITY:

1. The Company Secretary shall be responsible for ensuring the compliance of this Policy.
2. A list of Material Subsidiary shall be maintained by the Company Secretary and the same shall be placed before the Audit Committee on an annual basis.
3. The Audit Committee shall review the list of Material Subsidiary and make suitable recommendations, including recommendation for appointment of Independent Director on the Board of Material Subsidiary.

5. DISCLOSURE:

This policy for determining material subsidiaries is to be disclosed on the website of the Company.

6. AMENDMENTS:

The Board of Directors on its own and / or as per the recommendations of Audit Committee 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.