



MARUTI INFRASTRUCTURE LIMITED

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“Policy on Material Subsidiary”

Introduction and Objective:

The Board of Directors of Maruti Infrastructure Limited has adopted the following policy and procedures with regard to determination of “Material Subsidiary/ies” in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018.

The objective of this Policy is to determine the material subsidiary/ies and provide the governance framework for such subsidiary/ies.

Key Definitions:

“**Company**” means Maruti Infrastructure Limited.

“**Board of Directors**” or “**Board**” means the Board of Directors of Maruti Infrastructure Limited, as constituted from time to time.

“**Act**” means Companies Act, 2013 read with rules framed thereunder, as amended from time to time.

“**Listing Regulations, 2015**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Policy**” means this Policy on Material Subsidiary/ies.

“**Audit Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under the provisions of Listing Regulations, 2015 and the Companies Act, 2013.

“**Independent Director**” means a director of the Company, who satisfies the criteria for independence provided under the Act, and the Listing Regulations, 2015.

“**Subsidiary Company**” shall be as defined under the Act.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds 10% (Ten percent) of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

“**Unlisted Material Subsidiary**” means Material Subsidiary which is not listed on stock exchange.

“**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.

“**Net Worth**” means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013

Any term(s) not defined hereinabove shall have the same meaning as assigned to such term(s) in the Act and / or the Listing Regulations, 2015 or any other applicable law or regulation.

Policy:

- (a) 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, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 of Listing Regulation 2015, 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 Company and its subsidiaries in the immediately preceding accounting year.

- (b) The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- (c) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity on half yearly basis.
- (d) The management of the unlisted subsidiary shall on a half yearly basis 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.
- (e) The list of Material Subsidiary/ies of the Company shall be placed before the Audit Committee on annual basis for review by the Audit Committee.
- (f) The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.
- (g) The Company shall include particulars of its subsidiary companies in its Annual Return.

Disposal of Material Subsidiary/ies:

- 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 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 without 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.

Amendment:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.
