



MEFCOM CAPITAL MARKETS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PREFACE The Board of Directors (the “Board”) of Mefcom Capital Markets Limited (the “Company”) had adopted the policy and procedures with regard to determination of Material Subsidiaries effective from 1st October, 2014.

The said policy was prepared in accordance with Clause 49 of the Listing Agreement. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), effective from 1 st December, 2015, the definition of material subsidiary has been amended.

In view of the said amendment, this modified policy with regard to determination of Material Subsidiaries under Listing Regulations has been adopted by the Board.

1. OBJECTIVE

This Policy aims to determine Material Subsidiary(ies) of the Company. This Policy shall be called “Policy for determining material subsidiaries”, which is framed in accordance with the provisions of Explanation to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

All the words and expression used in this Policy, unless defined hereafter shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanations therein, as per the Companies Act, 2013 and the Rules , Notifications and Circulars made/issued thereunder, as amended , from time to time

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy of the Company is substituted with earlier policy and is effective from December 1, 2015.

2. DEFINITIONS

“**Act**” means the Companies Act, 2013

“**Audit Committee or Committee**” means “**Audit Committee**” constituted by the Board of Directors of the Company, from time to time, under provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / erstwhile Listing Agreement and the Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of Mefcom Capital Markets Limited, as constituted from time to time.

“**Company**” means Mefcom Capital Markets Limited.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Subsidiary**” shall be as defined under the Companies Act, 2013 and the Rules made there under.

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



“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. CRITERIA FOR DETERMINATION OF “MATERIAL SUBSIDIARY”

A subsidiary of the Company shall be considered 'Material' if:

- a. The net worth of the subsidiary exceeds 20% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- b. The subsidiary has generated more than 20% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year.

4. DISCLOSURE

This Policy shall be disclosed on the Company's website www.mefcom.in and web link thereto shall be provided in the Annual report of the Company.

5. REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the applicable provisions of the Listing Regulations and amendment(s) thereto notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. However, amendments in the Listing Regulations shall be binding even if not incorporated in this Policy.
