Matangi Rubber Ltd.
Delivering Durable Quality

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POLICY ON DETERMINING MATERIAL SUBSIDIARIES

1. PHILOSOPHY

This Policy is framed in accordance with the requirement stated under Regulation 16(1)(c) of the SEBI(LODR) Regulations which requires every listed Company to formulate a Policy for determining material subsidiary.

2. MEANING OF TERMS USED

"Act" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

"Audit Committee" shall mean the Audit Committee of the Board of Directors or such other Committee as may be approved by the Board of Directors, from time to time, under the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Board" refers to the Board of Directors of Matangi Rubber Limited as constituted from time to time.

"Company" refers to Matangi Rubber Limited.

"Material Subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

"Significant Transaction or Arrangement" means any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of an unlisted subsidiary for the immediately preceding accounting year;

"Subsidiary(s)" shall mean subsidiaries of the Company as defined under the Act.

Words, terms and expressions used and not defined in these rules or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but defined in the Act shall have the same meaning respectively assigned to them in the Act.

3. POLICY AND PROCEDURES

I. The Company shall consider a subsidiary as a material subsidiary if it satisfies any of the following criteria:

   a) the investment of the Company in the Subsidiary exceeds ten per cent (10%) of its consolidated net worth as per the audited balance sheet of the previous financial year; or

   b) the Subsidiary has generated ten per cent (10%) of the consolidated income of the Company during the previous financial year.

II. The Board shall appoint one of the Independent Director of the Company as a Director on the board of directors of the Material Subsidiary

III. The Company shall follow such governance procedures in relation to Material Subsidiaries as may be outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act from time to time.

The Company shall not

a) dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together

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with other Subsidiaries) to less than fifty percent (50%)/ 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

b) sell, dispose and/or lease assets amounting to more than twenty percent (20%) 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.

IV. The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard.

In case of I (a), monitoring shall be done as and when an investment is made in any of the Subsidiary(s).

And in case of I (b), monitoring shall be done at the time of finalizing the consolidated audited accounts.

This Policy may be amended by the Board from time to time to be in line with any amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Act and such other guidelines issued by SEBI.

4. COMPLIANCE BY STEP DOWN SUBSIDIARIES

This policy will be applicable to all listed subsidiaries of the Company with respect to their subsidiaries.

5. DISCLOSURE

This "Policy on Determining Material Subsidiaries" shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

6. MODIFICATIONS AND AMENDMENTS

The Board may review and amend this policy as may be required from time to time in accordance with the provisions of the Listing Agreement and other applicable laws and any further amendments and notifications as may be made effective in this regard. Any subsequent notification, circular, guidelines or amendments under listing agreement and other applicable laws, as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

For MATANGI RUBBER LIMITED
(Formerly known as Matangi Rubber Private Limited)

Director

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