POLICY FOR

DETERMINING MATERIAL SUBSIDIARIES

OF

MOULIN COMMERCIAL LIMITED

I. INTRODUCTION

This Policy shall be called 'Policy for Determining Material Subsidiaries' of Moulin Commercial Limited.

This Policy has been framed as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. OBJECTIVE

This Policy provides the criteria for determining the Materiality of Subsidiary companies of Moulin Commercial Limited.

III. DEFINITION OF SUBSIDIARY COMPANY: As per Section 2(87) of the Companies Act, 2013, a 'subsidiary company' or 'subsidiary', in relation to any other company (that is to say the holding company), means a company in which the holding company—

(i) controls the composition of the Board of Directors; or
(ii) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation — For the purposes of this clause—

(a) A company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company.
(b) Composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors.
(c) "Company" includes any body corporate.
(d) "Layer" in relation to a holding company means its subsidiary or subsidiaries.

IV. CRITERIA FOR DETERMINING MATERIALITY OF SUBSIDIARIES

A subsidiary of company shall be considered 'material' if the income or net worth of the concerned subsidiary exceeds ten percent of the consolidated income or net worth respectively, of Company and its subsidiaries, in the immediately preceding accounting year.

Further, Company shall **NOT** dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% 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.

Further, 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.

V. DISCLOSURES

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

VI. POWER TO AMEND

Board shall have the power to amend any of the clauses of this Policy in the light of changes in statutory provisions, as may be notified, from time to time.

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