

MPS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Purpose of this Policy

This Policy is being framed pursuant to Regulation 16(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) which shall include any statutory modification, alteration or amendment thereto for the time being and from time to time in force) for the purpose of determining a Material Subsidiary.

This Policy has been approved by the Board of Directors of the Company at its meeting held on July 19, 2016.

Definitions

“the Act” shall mean the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and all rules framed pursuant to and in accordance with the provisions thereof.

“the Board” or “Board of Directors” shall mean the collective body of the directors for the time being of the Company or of the Material Subsidiary, as the case may be.

“the Company” shall mean MPS Limited, a listed public Company.

“Subsidiary Company” or “Subsidiary” shall have the meaning ascribed to it in Section 2(87) of the Act.

“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 immediately preceding accounting year.

“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.

“Independent Director” shall mean an independent director referred to in Section 149(5) of the Act.

Governance Framework

1. At least one Independent Director on the Board of the Company shall be a Director on the Board of an unlisted Material Subsidiary, incorporated in India.

2. The Audit Committee of the Board of the Company shall also review the financial statements, in particular, the investments made by the unlisted Subsidiary of the Company.
3. The Minutes of meetings of the Board of the unlisted Subsidiary shall be placed at the meeting of the Board of the Company.
4. The Board of the Company shall periodically be provided by the Management of its unlisted Subsidiary with a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary.
5. The Company shall not dispose any shares held by it in its Material Subsidiary resulting in a reduction of its shareholding in the Material Subsidiary (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the Material Subsidiary without passing a special resolution in its general meeting (including through postal ballot), except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal.
6. Any sale, disposal and / or lease 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 the 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.

Power to modify / alter the Policy

The Board of the Company may modify and / or alter this Policy as and when needed Provided That no modification or alteration shall be made by the Board which would be repugnant or contrary to, or inconsistent with, the Regulations.

Disclosures

This Policy shall be disclosed on the website of the Company and relevant details or a web link thereof may be provided in the Annual Report of the Company.

For MPS Limited

Chairman

Date: July 19, 2016