

**Policy**  
**On**  
**Determining Material Subsidiaries**  
**Of**  
**Moongipa Capital Finance Limited**

**1. PREAMBLE**

This Policy on Determining Material Subsidiaries (“Policy”) has been formulated in accordance with the requirements of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), as amended from time to time.

The Board of Directors of Moongipa Capital Finance Limited (“Company”) has adopted this Policy for determining material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

This Policy shall be applicable to all subsidiaries of the Company, whether incorporated in India or outside India.

**2. OBJECTIVE**

The objective of this Policy is to:

- determine the material subsidiaries of the Company;
- establish governance requirements for material subsidiaries;
- ensure compliance with the applicable provisions of the SEBI LODR Regulations and other applicable laws; and

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- protect the interests of shareholders and investors.

### **3. DEFINITIONS**

Unless the context otherwise requires:

**a) “Act”**

means the Companies Act, 2013 read with the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof.

**b) “Board”**

means the Board of Directors of the Company.

**c) “Company”**

**means Moongipa Capital Finance Limited.**

**d) “Independent Director”**

shall have the meaning assigned to it under the Companies Act, 2013 and the SEBI LODR Regulations.

**e) “Material Subsidiary”**

shall mean a subsidiary whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

**f) “Policy”**

means this Policy on Determining Material Subsidiaries.

**g) “Subsidiary”**

shall have the meaning assigned to it under the Companies Act, 2013 and the SEBI LODR Regulations.

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the SEBI LODR Regulations, the Companies Act, 2013 or any other applicable law.

#### **4. DETERMINATION OF MATERIAL SUBSIDIARY**

A subsidiary shall be considered as a Material Subsidiary if:

- its income exceeds ten percent (10%) of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year; or
- its net worth exceeds ten percent (10%) of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

The Audit Committee and/or the Board shall review the status of subsidiaries periodically in accordance with the financial statements and applicable laws.

#### **5. GOVERNANCE FRAMEWORK FOR MATERIAL SUBSIDIARIES**

The Company shall comply with the applicable governance requirements relating to material subsidiaries as prescribed under the SEBI LODR Regulations from time to time.

The Board shall take note of significant transactions and arrangements entered into by unlisted material subsidiaries.

For the purpose of this Policy, “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) 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.

#### **6. RESTRICTION ON DISPOSAL OF SHARES OR ASSETS**

The Company shall not:

- dispose of shares in its material subsidiary which would reduce its shareholding to less than or equal to fifty percent (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 under applicable laws.

Further, selling, disposing and leasing of assets amounting to more than twenty percent (20%) 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 disposal is made under a scheme of arrangement duly approved by a Court/Tribunal.

## **7. DISCLOSURE**

This Policy shall be disclosed on the website of the Company in accordance with the applicable provisions of the SEBI LODR Regulations.

## **8. REVIEW AND AMENDMENT**

The Board of Directors may review, amend or modify this Policy from time to time in accordance with applicable laws and regulatory requirements.

Any amendment or modification in the applicable laws, including the SEBI LODR Regulations, shall automatically apply to this Policy to the extent of such amendment or modification.