

**MAESTROS ELECTRONICS & TELECOMMUNICATIONS SYSTEMS  
LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**



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**Maestros Electronics & Telecommunications Systems Limited**

EL-66, TTC Industrial Area, Electronic Zone, Mahape, Navi Mumbai – 400 701 Maharashtra, India

Tel: +91-22-2761 11 93 Website: [www.maestroelectronics.com](http://www.maestroelectronics.com) E-mail ID: [cs@metsl.in](mailto:cs@metsl.in)

## POLICY FOR DETERMINING MATERIAL SUBSIDIARY

### 1. OBJECTIVE:

1.1. The policy for determining “material” subsidiary companies has been framed in accordance with Regulation 16(1)(c) of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The objective of this Policy is to determine Material Subsidiaries of the Company.

### 2. DEFINITIONS:

2.1. “**Act**” means the Companies Act 2013 together with the Rules notified there under, including any statutory modifications or re-enactments thereof for the time being in force.

2.2. “**Audit Committee**” means Committee of Board of Directors of the Company constituted as such under the provisions of the Regulations and the Act.

2.3. “**Board**” means Board of Directors of the Company.

2.4. “**Company**” means Maestros Electronics & Telecommunications Systems Limited.

2.5. “**Policy**” means this policy for determining Material Subsidiaries.

2.6. “**Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

2.7. “**Subsidiary**” means a subsidiary as defined under Section 2(87) of the Act.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

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### **3. IDENTIFICATION OF MATERIAL SUBSIDIARY:**

- 3.1. A Subsidiary in relation to the Company shall be considered as “material”, if its turnover or net worth exceeds ten percentage of the consolidated turnover or net worth respectively of the Company in the immediately preceding accounting year.
- 3.2. The Management shall present to the Audit Committee on an annual basis a list of Material Subsidiaries together with the details of the materiality criteria stated above.

### **4. GOVERNANCE FRAMEWORK:**

- 4.1. The Audit Committee may review the Policy at least once every two years for making suitable amendments for better implementation of the Policy.
- 4.2. The Company delegate its right to Board of Directors to alter, modify, add, delete or amend any of the provisions of this Policy.
- 4.3. The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- 4.4. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- 4.5. The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

- 4.6. At least one Independent Director of the Company shall be the director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Clause 2 above, the term “material subsidiary” shall mean a subsidiary,

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whose turnover or net worth exceeds 20 percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

- 4.7. The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than 50 percent or the Company ceases the exercise of control over such subsidiary;

Such approval shall not be required if the disinvestment is:

- 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.

- 4.8. The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not be required, if such sale, disposal, lease of assets is:

- 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.

“Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.”

- 4.9. Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.
- 4.10. In case of any amendment(s), clarification(s), circular(s), notification(s), etc. issued by the relevant authorities under the Regulations or the Act or any other governing Act/rules/regulations or re-enactment thereof, not being consistent with the provisions laid down under the Policy, such amendment(s), clarification(s),

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circular(s) etc. shall prevail upon the provisions hereunder and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc., even if not expressly incorporated in this Policy.

## 5. POLICY REVIEW:

5.1 This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

The policy is last updated on \_\_\_\_\_.

## 6. WEBSITE:

6.1. The Policy shall be uploaded on the website of the Company and will be disclosed in accordance with applicable laws and legal requirements.

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A large, light blue, semi-transparent watermark of the "metsl" logo is centered on the page. It includes the word "metsl" in a large, lowercase, sans-serif font, with a green Wi-Fi symbol above the letter 'i'.

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