

SHIVKAMAL IMPEX LIMITED

REGD. OFF: P-7, GREEN PARK EXTENSION, NEW DELHI-110016

Tel: 011-26192964

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

(In terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. PREFACE

The Board of Directors (the “Board”) of Shiv Kamal Impex Limited (the “Company”) has adopted the Policy for Determining Material Subsidiary Companies (the “Policy”) prepared in terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and will be effective from March 14, 2016.

2. PURPOSE OF THE POLICY

The Purpose of the Policy is to determine the Material Subsidiary and disclosure thereof as required by Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. DEFINITIONS

- i. Independent Director or ID:** implies a Non- Executive Director of the Company, other than a Nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. Policy:** implies this policy on determination of Material Subsidiaries of the Company.
- iii. Material Subsidiary:** means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- iv. Significant Transaction or Arrangement:** means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding year.

4. POLICY

I. **Material Subsidiary**

A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds 20% (twenty per cent) of the consolidated net worth as per the audited consolidated balance sheet of the previous financial year or if the subsidiary has generated 20% (twenty per cent) of the consolidated income of the Company during the previous financial year.

II. **Independent Director on the Board of Material Non- Listed Indian Subsidiary**

At least one Independent Director on the board of directors of the company shall be a director on the Board of an unlisted material subsidiary, incorporated in India.

III. **Restriction on Disposal of Shares of Material Subsidiary by the Company**

The Company shall not dispose of shares in the material subsidiary which would reduce Company's 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 case where such divestment is made under a scheme of arrangement duly approved by the Court/ Tribunal.

IV. **Restrictions on Selling & Disposing of Assets of Material Subsidiary**

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.

V. **Periodic Review of the Transactions/ Arrangements of the Unlisted Subsidiary Companies**

The Management should periodically bring to the attention of the Board of Directors of the Listed Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.

VI. **Disclosure of Policy on Website**

The Policy shall be disclosed on the Company's website and a web-link thereto shall be provided in the Annual Report.

VII. **Review of the Policy**

The Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.