GOYAL ASSOCIATES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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1. Introduction:

The Board of Directors of Goyal Associates Limited (the "Company") has adopted the policy for determining material subsidiary(ies) in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

2. Purpose:

The purpose of this policy is to lay down criteria for identification and determination of Material subsidiary(ies) and to formulate a governance framework for subsidiary(ies) Company.

3. Definitions:

a) In this Policy unless the context otherwise requires:

(i) **"Act**" means the Companies Act, 2013 and rules issued thereunder.
(ii) **"Board of Directors" or "Board"** means the Board of Directors of Goyal Associates Limited, as constituted from time to time.
(iii) **"Company" means** Goyal Associates Limited .
(iv) **"SEBI (LODR) Regulations, 2015"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
(v) **"Policy"** means this Policy, as amended from time to time.
(vi) **"Subsidiary Company or Subsidiary"** means a subsidiary as defined under the Act and Rules made thereunder.
(vii) **"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 subsidiary for the immediately preceding accounting year.
(viii) **"Material Subsidiary"** shall mean a subsidiary, whose turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
(ix) "**Audit Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI (LODR) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

4. Criteria for Determining Material Subsidiaries:

A Subsidiary shall be considered Material if, its turnover or net worth exceeds 10% (ten percent) of the consolidated turnover or net worth respectively, of the listed Company and its subsidiaries in the immediately preceding accounting year.

5. Governance Framework:

- At least one independent director on the Board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

  For the purposes of this requirement, notwithstanding anything to the contrary contained in this policy, the term "**material subsidiary**" shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.

- The management of 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.

- Material Unlisted Subsidiary incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the Company.

6. Disposal of Material Subsidiary:

The Company shall not:

- dispose of the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment

is made under a scheme or 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.

- sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without 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.

7. Amendments:

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

8. Review & Amendment of the Policy:

The Board is authorized to review/amend this policy from time to time at its sole discretion and/or subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. Disclosure:

As prescribed under Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this policy shall be disclosed on the Company's website https://mas.co.in/ and a web link thereto shall be provided in the Annual Report of the Company.

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