



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

adopted by

MT EDUCARE LIMITED

Registered office: 220, 2nd Floor, "FLYING COLORS"
Pandit Din Dayal Upadhyay Marg,
L.B.S Cross Road,
Mulund (West), Mumbai 400080

1. PREAMBLE:

The equity shares of MT Educare Limited (“Company”) are listed on The National Stock Exchange of India Ltd. (“NSE”) and the BSE Limited (“BSE”)

As per Clause 49 of the listing agreement entered into between the Company and the Stock Exchanges, inter alia, effective from 1st October, 2014 requires Company to formulate a policy for determining “material” subsidiaries.

The Company has subsidiary company in India.

Accordingly, this policy on material subsidiaries (“the / this Policy”) has been formulated as required by Clause 49 of the Listing Agreement. The Objective of the Policy is to identify, from time to time, material subsidiary of the Company based on the criteria set out herein.

2. MATERIAL SUBSIDIARY:

A subsidiary Company of the Company shall be considered as material subsidiary:

- a. if the investment of the Company in the subsidiary exceeds (20%) twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b. if the subsidiary has generated (20%) twenty per cent of the consolidated income of the company during the previous financial year.

3 PROCESS FOR TRANSACTION S AFFECTING MATERIAL SUBSIDIARY

Presently, the Company does not have a material subsidiary within the meaning of the criteria set out in paragraph 2 above. However, whenever any subsidiary falls into the said criteria of materiality, then:

- a. company shall dispose of shares in its material subsidiary which would reduce its 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 cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- b. 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.

- c. The Company management 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 material subsidiary. For the purpose of this paragraph, the term 'significant transactions or arrangement' shall mean 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 accounting year.

4. SCOPE OF LIMITATION:

In the event of conflict between this Policy and provisions of the Listing Agreement, then the provisions of the Listing Agreement shall prevail.

5. DISCLOSURE:

The Company shall post this Policy on its website and web link thereto shall be provided in the annual report

6. POLICY VALIDATION AND REVIEW:

This policy has been approved by the Board of Directors on the Company on 12th November, 2014 and shall be deemed to have come into force w.e.f 1st October, 2014. This policy will be reviewed as and when it becomes necessary due to change in the provision of the Listing Agreement or otherwise.