

Policy for determining Material Subsidiary

Introduction:

Policy for determining Material Subsidiary framed pursuant to clause 49 of the Listing Agreement with regard to determination of Material Subsidiaries.

Definitions:

Independent Director means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges

Audit Committee means the Audit Committee of the Board constituted from time to time under the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

Board means the Board of Directors as defined in Section 2(10) of the Companies Act, 2013.

Subsidiary Company means subsidiary company as defined in Section 2(87) of the Companies Act, 2013.

Material Non Listed Indian Subsidiary Is an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up share capital and free reserves) exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

Significant transaction 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.

Identification of 'Material' subsidiary:

A subsidiary shall be considered as material if :

a. In which the Investment of the Company/Proposed Investment, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year

or,

b. if the subsidiary has generated 20 per cent of the consolidated income of the Company during the previous financial year.

Procedure to take Material subsidiary into consideration:

1. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
2. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis
3. The management shall on periodically basis 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.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
5. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

Disposal of Material Subsidiary:

- dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% without passing special resolution in members meeting. except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

- or sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary during financial year without prior approval of shareholders by way of special resolution unless where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- Ceases the exercise of control over the Subsidiary

Policy Review:

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