

Policy for determining Material Subsidiary

1. Title:

This policy shall be called ‘Policy for determining Material Subsidiaries.’

2. Objective :

The objective of this Policy is to determine material subsidiary company(ies) and to provide a governance framework for such material subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 or the Rules, Notifications and Circulars made/ issued thereunder, as amended, from time to time.

3. Policy :

A subsidiary shall be considered as material if the income or net worth, of the said subsidiary exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds ten per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

4. Governance framework :

- i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Companies.
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iii. The 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 subsidiary companies.
- iv. At least one Independent Director of the Company shall be a director on the Board of a Material unlisted Subsidiary Company, whether incorporated in India or not.

For the purposes of this sub-para, notwithstanding anything to the contrary contained in in

paragraph 3 above, the term “material subsidiary” shall mean 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.

5. Disposal of Material Subsidiary :

The Company shall not:

- a. dispose of 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 such divestment 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.
- b. 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.

6. Policy Review:

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. The Board shall have power to amend any of the provisions of this Policy, by substitution of any of the provisions or replace the entire Policy by a new Policy.