

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### Table of Contents

1. PURPOSE AND SCOPE .....	2
2. IDENTIFICATION OF 'MATERIAL' SUBSIDIARY' .....	2
3. GOVERNANCE FRAMEWORK .....	2
4. DISPOSAL OF MATERIAL SUBSIDIARY .....	3
5. DISCLOSURE OF POLICY .....	4
6. POLICY REVIEW .....	4

## 1. Purpose and Scope:

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Regulation 16 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations").

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

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

## 2. Material' Subsidiary:

"Material Subsidiary" shall mean company as defined in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## 3. Governance framework:

- a. The Audit Committee of Board of the Company shall review the financial statements the investments made by the unlisted subsidiary Company.
- b. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- c. 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 company.

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent of the total revenues or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

- d. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
- e. The management of the Company shall present to the Audit Committee annually the list of such subsidiaries together with the details of the

materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

#### **4. 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 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. 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.

#### **5. Disclosure of Policy:**

This policy shall be disclosed on the Company's website and such web link shall also be provided in the Annual Report.

#### **6. Policy Review:**

This Policy shall be subject to review by the Board of Directors as may be deemed necessary and in accordance with any regulatory amendments.

#### **7. Limitation and Amendment**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.