



Jab zindagi badalni ho

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES



Registered Office

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1) PURPOSE AND APPLICABILITY

A company may have a number of subsidiaries, however all of them may or may not have a material impact on the holding company or on the group at a consolidated level. Therefore, regulations sometimes require identification of such subsidiaries which may have a material impact on the overall performance of the holding company/group.

Regulation 16(1)(c) of the Listing Regulations requires every listed entity to formulate a policy for determining a “material” subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under a separate section on its website.

This Policy for Determining Material Subsidiaries (“Policy”) of the Company has been adopted, in accordance with the Listing Regulations.

2) OBJECTIVE

This Policy intends to facilitate the determination of the material subsidiaries of the Company and disclosure thereof as required by Listing Regulations, ensure governance of material subsidiaries by complying with directorship requirements, review of financial statements, review of certain transactions or arrangements by the Board of the Company, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such subsidiaries by the Company.

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3) DEFINITIONS

“**Significant Transactions/Arrangements**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) 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.

“**Unlisted Subsidiary**” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

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4) DETERMINATION OF MATERIAL SUBSIDIARIES

A subsidiary shall be a material subsidiary if it fulfils the following criteria:

- The Net Worth of the subsidiary exceeds ten percent (10%) of the Consolidated Net Worth of the Company and its subsidiaries as per the Audited Balance Sheet of the immediately preceding accounting year; or
- The Income of the subsidiary exceeds ten percent (10%) of the Consolidated Income of the Company and its subsidiaries as per the Audited Balance Sheet of the immediately preceding accounting year.

5) SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary in the format similar to the format prescribed in the relevant accounting standards for the purpose of disclosure of related party transactions on a consolidated basis.

6) RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal.

7) RESTRICTION ON DISPOSAL OF ITS ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal.

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8) OTHER PROVISION RELATED TO UNLISTED SUBSIDIARY/ MATERIAL UNLISTED SUBSIDIARY

- The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meeting of the Company at regular intervals.
- At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of the unlisted material subsidiary, whether incorporated in India or not.

9) DISCLOSURES

The Company shall disclose in its Board's report, details of this Policy as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

10) REVIEW

The Policy for Determining Material Subsidiaries shall be reviewed on an annual basis or as and when any amendments, if needed, by the Board of Directors.

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

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