

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

The policy for determining 'Material' Subsidiaries has been framed in accordance with Clause 49 (V)(D) of the Listing Agreement. The Policy will be used for determining material subsidiaries and to provide governance framework for such subsidiaries. The words and expression used in this policy shall have the same meaning as assigned to them under the Companies Act, 2013, Rules and Regulations made there under and the Listing Agreement.

1. Identification of material subsidiary

A subsidiary shall be considered material if:-

- a) The investment of the company in the subsidiary exceeds 20% of the consolidated net worth as per the audited balance sheet of the previous financial year or
- b) If the subsidiary has generated 20% of the generated consolidated income of the company during the previous financial year.

2. Material Non Listed Indian Subsidiary shall mean an unlisted subsidiary incorporated in India whose income or net worth (paid up capital and free reserves) exceeds 20% of consolidated income or net worth respectively of the listed holding company and its subsidiary in the immediately preceding financial year.

3. Governance Framework

- a) The Audit Committee of the Board of Directors of the Company shall review the financial statements particularly investment made by unlisted subsidiary company.
- b) The minutes of the Board meeting of the unlisted subsidiary company shall be placed before the Board of Directors of Company.
- c) The management shall periodically bring into notice of the Board of Directors of the Company of the significant transactions and Arrangements entered into by the unlisted subsidiary company.
- d) One Director on the Board of Directors of Company shall be director on the Board of Indian Unlisted Subsidiary Company.

4. Disposal of Material Subsidiary

- a) The company cannot reduce its shareholding to less than 50% in material subsidiary without the shareholders approval by means of a Special Resolution.
- b) The company cannot sell 20% or more assets of the subsidiary Company without approval of its shareholders by means of a Special Resolution.

5. Policy Review

The Policy shall be reviewed on the basis of any modifications in any law or as may be found to be more fair or reasonable.