

POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARY

I. PREAMBLE

The Company is required to formulate a policy for determination of a material subsidiary in accordance with the Listing Regulations (including amendments thereof.)

The Company aims to fulfil its responsibility to the Stock Exchanges and Investors by identifying disclosing Material Subsidiaries (defined below) in this Policy for policy for determination of a material subsidiary (the “**Policy**”)

II. DEFINITIONS

“**Company Laws**” means the Companies Act and/or the Old Companies Act (where applicable),

“**Companies Act**” shall mean the Indian Companies Act, 2013 and “**Old Companies Act**” shall mean the Indian Companies Act, 1956 along with relevant rules, regulations and amendments thereto issued from time to time

“**Company Subsidiary**” shall mean a subsidiary of the Company in accordance with the Company Laws

“**Other SEBI Laws**” shall mean the (i) Listing Regulations, (ii) SEBI Act, 1992, (iii) Securities Contracts (Regulation) Act, 1956, (iv) Depositories Act, 1996, and any rules, regulations issued thereunder, and any amendments issued thereto from time to time

“**Listing Regulations**” shall mean the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

III. OBJECTIVE

This Policy provides the minimum threshold for determining a “Material Subsidiary”

IV. THRESHOLD FOR DETERMINING MATERIAL SUBSIDIARIES

A Company Subsidiary shall be considered as a Material Subsidiary” if the income or net worth of the Company Subsidiary exceeds ten per cent (10%) of the consolidated income or net worth respectively of the Company and its other Company Subsidiaries in the immediately preceding accounting year.

V. Disposal of Material Subsidiary

The Company shall not

- dispose shares in the 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 case where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

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- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing a special resolution in its General Meeting, except in case where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

VI. ADDITIONAL REQUIREMENT FOR MATERIAL NON-LISTED SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed subsidiary company.

For the purposes of this requirement, “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.”

VII. REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY

- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- 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.

EXPLANATION

The term “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 unlisted subsidiary for the immediately preceding accounting year.

VIII. AMENDMENTS TO THE POLICY

This Policy may be amended by the Board, as and when deemed fit, or, in accordance with Applicable Laws.

IX. QUERIES AND CLARIFICATIONS

Any queries or clarifications in relation to this Policy may be addressed to Company Secretary of the Company.
