

Policy - Material Subsidiaries

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PURPOSE

- * This policy is framed based on Listing Agreement entered by the Company with the Stock Exchanges and primarily intended to ensure the determination of Material Subsidiaries.
- * The Company runs its various operations directly and/or through its subsidiaries for the growth and increase in all stakeholder value.
- * The Company has been following applicable guidelines for Subsidiaries. Now, the Listing Agreement requires that a policy to determine the Material Subsidiaries be placed in public domain.
- * This policy is to regulate transactions pertaining to its Material Subsidiaries based on the applicable laws and regulations applicable to the Company.
- * The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

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DEFINITIONS

- * “Act” means Companies Act, 2013 & rules made thereunder.
- * “Holding Company” as defined under Section 2(46) of the Act.
- * “Subsidiary Company” as defined under Section 2(87) of the Act.
- * “Material non-listed Indian subsidiary” as per Clause 49 of the Listing Agreement means, an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital & free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company & its subsidiaries in the immediately preceding accounting year, or as amended from time to time.
- * “Material Subsidiary” as per Clause 49 of the Listing Agreement means, if the investment of the company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the company during the previous financial year or as amended from time to time.
- * “Significant transaction or arrangement” means 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 material unlisted subsidiary for the immediately preceding accounting year.

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PROVISIONS WITH REGARD TO MATERIAL NON-LISTED INDIAN SUBSIDIARY & MATERIAL SUBSIDIARY COMPANIES

- * A statement of all significant transactions and arrangements entered into by the material unlisted subsidiary company shall be periodically informed to the Board of Directors of the Company.
- * At least one independent director on the Board of Directors of the company shall be a director on the Board of Directors of a material non-listed Indian subsidiary 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 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;
- * The Company shall not sell, dispose & lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by Court/Tribunal.