



Policy - “Material” Subsidiaries

The Board of Directors of the Company has adopted the following policy with regard to determining Material Subsidiaries.

This policy became applicable to the Company effective 1st October 2014.

TITLE:

Policy means ‘Policy for determining Material Subsidiaries’.

OBJECTIVE

- a. This Policy was framed in accordance with the requirement of revised clause 49 of the listing agreement (including any amendments thereof) effective from 1st October 2014 and is intended to ensure governance of material subsidiary companies.
- b. The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

DEFINITIONS

1. “**Act**” means Companies Act, 2013 & rules made thereunder.
2. “**Holding Company**” as defined under Section 2(46) of the Act.
3. “**Subsidiary Company**” as defined under Section 2(87) of the Act.
4. **Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANY(IES)

- At least one independent director on the Board of Directors of the company shall be a director on the Board of Directors of **unlisted material subsidiary company(ies)**;

For the purposes of this provision, notwithstanding anything to the contrary contained hereinbefore, the term “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.

- 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 disinvestment 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 in its General Meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by Court/Tribunal.

COMPLIANCE BY STEP DOWN SUBSIDIARIES

Where a company has a listed subsidiary which is itself a holding company, this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

AMENDMENT

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement or any other relevant legislation / law applicable to the Company.