

Policy for Determining 'Material' Subsidiaries & Its Governance Framework

Preface:

The Company has framed the Policy in accordance with the provisions of the Companies Act, 2013 read with Rules made there under as well as per Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (As amended from time to time) and shall be subject to those laws or such other Rules/ Regulations.

Objective:

The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

Material Subsidiary:

Upto 31st March 2019

a subsidiary shall be considered as 'material', if the income or net worth of such subsidiary exceeds 20% of the consolidated income or net worth respectively, of the Company, and its subsidiaries in the immediately preceding accounting year.

With effect from 1st April 2019

a subsidiary shall be considered as 'material', if the income or net worth of such subsidiary exceeds 10% of the consolidated income or net worth respectively, of the Company, and its subsidiaries in the immediately preceding accounting year.

Governance Framework:

- A. The Audit Committee of the Board shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- B. The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed before the Board of the Company.

- C. 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 such subsidiary.
- D. One Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary of the Company, whether incorporated in India or not, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Disposal of Material Subsidiary:

The Company shall not:

- A. dispose of shares in its material subsidiary resulting in reduction of 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, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the Stock Exchange within one day of the resolution plan being approved.
- B. sell, dispose or lease any 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 shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Above policy was amended by Board of Directors of the Company at their meeting held on 15th January, 2019.