POLICY ON MATERIAL SUBSIDIARIES

Policy for determining Material Subsidiaries:

1. Policy objective:

This policy is intended to ensure that Board of Directors of Company have sufficient knowledge and periodic updates of the business and operations of its Subsidiaries.

2. Definitions:

"**Board of Director**" or "**Board**" means the Board of Directors of the Company, as constituted from time to time.

"**Control**" shall have the same meaning as assigned to the term under the defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"**Independent Director**" shall have the meaning as ascribed to the term under Regulation 16(1)(b) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Material Subsidiary" shall have the meaning as stated in paragraph 4 of this policy.

"**Net Worth"** means net worth as defined in Section 2(57) of the Companies Act, 2013.

"**Policy**" means this 'Policy on Material Subsidiaries'.

Policy for testing and determination of Material Subsidiary:

1. Test of Material Subsidiary

In terms of Regulation 16(1)(c) of the Listing Regulations, 2015, a subsidiary of the company shall be considered as a 'Material Subsidiary', if the income or net worth of the subsidiary exceeds ten* percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2. Identification and determination of Material Subsidiary:

a. The management of the Company shall on an annual basis update to the Board of the Company at the Board meeting next following the meeting in which the consolidated financial statements of the Company are approved, the identity of companies, which basis, the audited financial statements of the immediately preceding financial year, need to be included and/ or removed from in the list of Material Subsidiary(ies).

b. All provisions relating to Material Subsidiary as stated at paragraph 5 below, shall apply to such Subsidiary from the date of such updation to the Board.

3. **Provisions applicable to Unlisted Material Subsidiary**: At least one Independent Director of the Company shall be a director on the Board of an Unlisted Material Subsidiary.

4. **Provisions applicable to all Material Subsidiaries, including Unlisted Material Subsidiary**:

   The Board, without the prior approval of the members by special resolution, shall not:

   a. dispose of shares in a Material Subsidiary that reduces the Company's shareholding (either on its own or together with other Subsidiaries) to less than 50% or ceases the exercise of Control over the Material Subsidiary; or

   b. sell, dispose or lease out the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

   Approval of members shall not be required for cases stated in paragraph 6(i) and 6(ii), if such divestment/ sale, disposal or lease is made under a Scheme of Arrangement(s) duly approved by a Court/Tribunal.

5. **Additional provisions applicable in respect of all Unlisted Subsidiaries, including Material Subsidiaries**:

   i. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary(ies).
   ii. The minutes of the meetings of the Board of all Unlisted Subsidiaries shall be placed before the Board meeting of the Company.
   iii. It shall be periodically brought to the notice of the Board of the Company, a statement of all Significant Transaction or Arrangement entered into by the Unlisted Subsidiary/ies.

6. **Disclosures:**

   This Policy will be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company. This Policy will be communicated to all operational employees and other concerned persons of the Company