

## **Policy On Material Subsidiary Companies**

The Company recognizes the transactions and dealings with Material Subsidiary Companies that such transactions are consistent with the Company's and its stakeholders' best interests. This policy sets definition of material subsidiary and transactions therewith.

### **'Material' Subsidiary**

A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

### **Policy on Material Subsidiary Companies and transactions therewith:**

1. The Company shall not dispose off 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.

2. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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.