

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### **1. INTRODUCTION AND PURPOSE OF THE POLICY**

The Board of Directors (the “Board”) of Tatia Global Vennture Limited (the “**Company**”) has adopted the following policy and procedures with regards to determination of material subsidiary companies, as defined in this Policy below.

The purpose of this Policy is determination of material subsidiary companies and disclosure thereof as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).

This policy shall be applicable to the Company with effect from \_\_\_\_\_.

### **2. OBJECTIVE OF THE POLICY**

This policy deals with determination of material subsidiaries of Tatia Global Vennture Limited in terms of Regulation 16(1)(c) of Listing Regulations which states that the Company shall formulate a policy for determination of the material subsidiaries. The Policy also intends to ensure governance of material subsidiary companies.

The objective of this Policy is to determine the following:

- a) meaning of material subsidiary;
- b) requirement of Independent Director in certain unlisted material subsidiary companies, incorporated in India or not;
- c) Restriction on disposal of shares of material subsidiary by the Company;
- d) Restriction on transfer of assets of material subsidiary;
- e) disclosure requirements under the Listing Regulations, as amended; and
- f) any other laws and regulations as may be applicable to the Company.



### 3. DEFINITIONS

- 3.1 **“Act”** means Companies Act, 2013 & rules made there under.
- 3.2 **“Audit Committee” or “Committee”** means Audit Committee constituted by the Board of Directors of the Company, from time to time, according to the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.
- 3.3 **“Board of Director” or “Board”** means the Board of Directors of Tatia Global Vennture Limited, as constituted from time to time.
- 3.4 **“Company”** means Tatia Global Vennture Limited.
- 3.5 **“Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- 3.6 **“Holding Company”** in relation to one or more other Holding Company means a company of which such companies are subsidiary companies.
- 3.7 **“Independent Director”** means a Director of the Company who satisfies the criteria for independence given under Section 149 of Companies Act, 2013 and Regulations 16(1)(b) of Listing Regulations.
- 3.8 **“Listing Regulations”** implies the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.
- 3.9 **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 3.10 **“Subsidiary Company”** shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules related thereto.
- 3.11 **“Significant transaction or arrangement”** shall mean 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 unlisted subsidiary for the immediately preceding accounting year.



3.12 “Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

#### 4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A subsidiary shall be considered as a Material Subsidiary, if any of the following conditions are satisfied:

1. If the income of the Subsidiary Company exceeds 10% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year;

**OR**

2. If the net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

#### 5. PROVISIONS WITH REGARD TO SUBSIDIARY COMPANIES

- 5.1 At least one Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary company, incorporated in India or not.  
*For the purpose of clause 5.1, the term “Material Subsidiary” shall mean a Subsidiary, 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.*
- 5.2 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- 5.3 The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the meeting of the Board of Directors of the Company.
- 5.4 The management of the unlisted subsidiary company shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- 5.5 Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company & no holding company shall allot or transfer its



shares to any of its subsidiary companies & any such allotment or transfer of shares of the Company to its subsidiary company shall be void.

- 5.6 Every unlisted material subsidiary company, incorporated in India, of the Company shall undertake secretarial audit and annex with its annual report, a secretarial audit report, given by the company secretary in practice, for every financial year.

## **6. DISPOSAL OF MATERIAL SUBSIDIARY**

- 6.1 The Company shall not, without prior approval by way of passing a special resolution in its General Meeting:

1. Reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent (50%) or cease the exercise of control over the subsidiary company;

OR

2. Sell, dispose and lease the assets amounting to more than 20% of the assets of the material subsidiary company, on an aggregate basis during a financial year.

- 6.2 The provision of clause 6.1 shall not be applicable in cases where such divestment, sale, disposal, lease as the case may be, is made under a scheme of arrangement duly approved by the 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 exchange(s) within one day of the resolution plan being approved.

## **7. DISCLOSURE**

- 7.1 This policy shall be disclosed on the Company's website – [www.tatia.co.in](http://www.tatia.co.in)
- 7.2 The web link of the policy shall be disclosed in the annual report of the Company.

## **8. AMENDMENT AND UPDATES**

- 8.1 The Board shall have the power, subject to applicable laws, 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.

- 8.2 The Company Secretary, being the Compliance Officer, is also authorized to make amendment in this Policy, where there are any statutory changes necessitating the amendment in the Policy.
- 8.3 The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and amplify the objective of good corporate governance.

## **9. COMPLIANCE RESPONSIBILITY**

Compliance of this Policy shall be the responsibility of the Compliance Officer of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

## **10. LIMITATIONS**

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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