

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

### 1. Preamble

The Board of Directors of Share India Securities Limited (“**the Company**”) has formulated the policy for determining material subsidiary in accordance with the provisions of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”), as amended from time to time.

### 2. Purpose

The purpose of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

### 3. Definitions

a) “**Audit Committee**” means the Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) “**Board**” means the Board of Directors of the Share India Securities Limited, as constituted from time to time;

c) “**Independent Director**” means an independent director referred to in

- Section 149(6) of the Companies Act, 2013, and / or;
- Regulation 16(b) of the Regulations.

d) “**Policy**” means the policy on material subsidiaries;

e) “**Net worth**” means net worth as defined in sub section (57) of section 2 of the Companies Act, 2013

f) “**Income**” shall mean `Total Revenue` or `Total Income` (including other income) as per the audited Financial Statements of the previous Financial Year.

g) “**Subsidiary**” shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder; and

h) “**Unlisted Subsidiary**” means Subsidiary whose securities are not listed on any recognized Stock Exchanges.

i) “**Holding company**” in relation to one or more other companies, means a company of which such companies are subsidiary companies.

### 4. Identification of Material Subsidiary

“**Material Subsidiary**” means a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

## **5. Governance framework**

- i. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company;
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary Company (s) shall be placed before the Board of the Company;
- iii. The Board shall be provided with a statement of all significant transactions or arrangements entered into by the Unlisted Subsidiary Company;

Explanation :- For the purpose of this regulation the term “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.

- iv. At least one Independent Director of the Company shall be a Director on the Board of the Unlisted Material Subsidiary Company, whether incorporated in India or not.

Explanation: – for the purpose of this provision, notwithstanding anything to the contrary contained in this policy, 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 Company and its subsidiaries in the immediately preceding accounting year.

- v. Every material subsidiary of Share India Securities Limited incorporated in India shall undertake Secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

- vi. The Company shall not:

- a). 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 divestment is made under a scheme of arrangement duly approved by 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.

- b). Sell, dispose and lease of assets amounting to more than twenty percent 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.

## **6. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and of 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.

#### **7. Amendments**

Any change in the Policy shall be approved by the Board of the Company. The Board of the Company shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

#### **8. Dissemination of Policy**

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website i.e. [www.shareindia.com](http://www.shareindia.com).

and a web link thereto shall be provided in the Board's report.