



VAKRANGEE LIMITED

CIN: L65990MH1990PLC056669

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### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

#### **[Pursuant to Clause 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]**

This Policy shall be effective from 1<sup>st</sup> April, 2019

Vakrangee Limited has floated the following policy with regard to determination of material subsidiaries as defined below. This policy may be reviewed, amended and adopted at the discretion of the Board of Directors.

#### **OBJECTIVE:**

To determine the material subsidiaries of Vakrangee Limited and provide the governance framework for such subsidiaries.

#### **DEFINITION:**

**“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company from time to time under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act 2013.

**“Board of Directors”** or **“Board”** means the Board of Directors of Vakrangee Limited as constituted from time to time.

**“Company”** means a Company incorporated under the Companies Act, 2013 or under any previous Company Law.

**“Independent Director”** means a Director of the Company, not being a Whole-Time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time

**“Policy”** means a policy on material subsidiary/ies.

**“Material subsidiary”** shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

**“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

Subsidiary shall be as defined under the Companies Act, 2013 and the Rules made there under.

## POLICY

1. A subsidiary shall be a Material subsidiary if the income or net worth of the Subsidiary exceeds ten percent of the consolidated income or net worth of the Listed Company and its subsidiaries in the immediately preceding accounting year.

2\*. At least one Independent Director on the Board of Directors of the Company shall be a director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

*\* For the purpose of appointment of Independent Director, 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 listed entity and its subsidiaries in the immediately preceding accounting year.*

3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

4. The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed before the Board of the Company on a **quarterly** basis.

5. The management shall on a **quarterly** basis bring to the attention of the Board of Directors of the Company, a statement of significant transactions and arrangements entered by the unlisted subsidiary Company.

*Explanation: For the purpose of this regulation, "Significant transaction or arrangement: shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.*

6. Every material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report in the prescribed format, given by a Company Secretary in practice.

## DISPOSAL OF MATERIAL SUBSIDIARY

The Company without the prior approval of the Members by special resolution shall not:

- a) dispose off shares in material subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- b) cease the exercise of control over the subsidiary or
- c) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year

except where such divestment or sale/disposal/lease is made under a scheme of arrangement duly approved by the Court/Tribunal.

## DISCLOSURES

As prescribed under Regulation 46(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this policy shall be disclosed on the Company's website

[www.vakrangee.in](http://www.vakrangee.in) and a weblink thereto shall be provided in the Annual Report of the Company.

#### **REVIEW OF POLICY**

This Policy shall be reviewed by Audit Committee and Board as and when required.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**NOTE:** Where a listed holding Company has a listed subsidiary which is itself a holding Company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.