

ROLTA INDIA LIMITED

Policy on Determination of Material Subsidiaries (Policy)

GLOSSARY

"Audit Committee"	implies the audit committee constituted by the Board of Directors of the Company from time to time under provisions of the Listing Regulations and the Companies Act, 2013
"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.
"Listing Regulations" Or SEBI (LODR)	implies the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto
"Material Subsidiary"	Implies 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.
"Unlisted Material Subsidiary"	implies an unlisted subsidiary, incorporated in India, 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
"Subsidiary"	shall mean as defined under the Companies Act, 2013 Act and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

1. PURPOSE OF THE POLICY

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board of Directors of Rolta India Limited (Board) certain transactions/arrangements, rules regarding disinvestment of shares held by the Rolta India Limited (Company) and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to determine (a) meaning of Material Subsidiary (b) requirement of Independent Director in certain unlisted material subsidiaries, incorporated in India (c) Restriction on disposal of shares of Material Subsidiary by the Company (d) Restriction on transfer of assets of Material Subsidiary and (e) disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL NON LISTED INDIAN SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Subsidiary, incorporated in India.

"Independent Director" means a non- executive Director of the Company, other than a nominee Director and 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 (LODR).

4. SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management should periodically submit to the Board a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary company.

"Significant Transaction and 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 material unlisted subsidiary for the immediately preceding accounting year.

5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

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 fifty percent [50%] or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is made under a scheme of arrangement duly approved by a court/ tribunal.

6. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent [20%] 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.

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7. REPORTING AND DISCLOSURE

As prescribed by Clause 46(2)(h) of the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

8. REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

9. COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company.

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