

**POLICY FOR
DETERMINING
MATERIAL
SUBSIDIARIES**

**Transcorp International Limited
Effective from 01.04.2019**

INTRODUCTION

The Board of Directors of Transcorp International Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

TITLE

This Policy shall be called 'Policy for determining material subsidiaries'.

OBJECTIVE

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

The Policy is framed in accordance with the requirements of the Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DEFINITIONS

"Board of Directors" or **"Board"** means the Board of Directors of Transcorp International Limited, as constituted from time to time.

"Company" means Transcorp International Limited.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

"Policy" means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the Section 2(87) of the Act and Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY

A subsidiary shall be considered as **Material** if-

Its Income or Net Worth exceeds 10 % of the Consolidated Income or Net Worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year

Material Non Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose:

- Income exceeds 10% of the consolidated income of the listed entity and its subsidiaries in the immediately preceding accounting years.
- Net worth exceeds 10% of the consolidated net worth of the listed entity and its subsidiaries in the immediately preceding accounting years.

A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- Dispose shares in the material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- Dispose shares in its material subsidiary which would cease the exercise of control over the subsidiary except in case where such disinvestment 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 or
- 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 , unless the where 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

REQUIREMENT REGARDING MATERIAL UNLISTED SUBSIDIARY

- At least one Independent Director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary whether incorporated or not.

REQUIREMENT REGARDING UNLISTED SUBSIDIARY

- The Audit Committee of the listed entity shall also review the financial statements, in particular, the investment made by the unlisted subsidiaries.
- The minutes of the meeting of board of directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of listed entity.
- The management of unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

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AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI (LODR) Regulation, 2015 / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY

This policy shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company.