

# **INDIA HOME LOAN LIMITED**



## **POLICY DETERMINING MATERIAL SUBSIDIARY V.2.1**

**VERSION CONTROL**

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## **Title**

This policy shall be called the 'Policy for determining Material Subsidiaries'.

## **Introduction**

The Board of Directors ("**Board**") of India Home Loan Limited ("**Company**") has adopted the following policy and procedures with regard to determination of "Material Subsidiaries" in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**").

## **Definitions**

"**Companies Act**" means the Companies Act, 2013 read with the rules thereunder, as amended.

"**Audit Committee**" means the committee formed under Section 177 of the Companies Act by the Board of the Company, from time to time.

"**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; provided that a Director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

"**Independent Director**" means an independent director as defined under the Companies Act and the SEBI Listing Regulations.

"**Material Subsidiary**" - A subsidiary shall be considered as a Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.

"**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.

"**Subsidiary**" shall be as defined under the Companies Act and the Rules made thereunder.

## **Policy**

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

*net-worth of the subsidiary exceeds 10% of the Company's consolidated net-worth in the immediately preceding accounting year; or*

*income of the subsidiary exceeds 10% of the Company's consolidated income in the immediately preceding accounting year.*

In addition, a material unlisted Indian subsidiary of the Company would be identified, if any, as one-time exercise and such exercise shall be done during each financial year and the conclusion shall be placed before the Audit Committee of the Company and the Board.

At least 1 (one) Independent Director of the Company shall be a director on the Board of the Material Unlisted Subsidiary company, whether incorporated in India or not.

For the purpose of the above clause, the term "Material Unlisted Subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.

The minutes of the Board Meetings of the unlisted subsidiary shall be placed before the Board of the Company.

The management shall on a quarterly basis bring to the attention of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary.

Every Material Unlisted Subsidiary of the Company incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as may be specified with the annual report of the Company.

The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the material unlisted subsidiary.

## **Disposal of Material Subsidiary**

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

*dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the Subsidiary except in cases 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.*

*sell, dispose and lease assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease 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.*

## **Disclosures**

The Policy for determining material subsidiaries is to be disclosed on the Company's website and a web link thereto shall be provided in the annual report of the Company.

## **Amendment**

The Company reserves the right to amend or modify this policy in whole or in part, at any point of time.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by Securities and Exchange Board of India, that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s). Such amendments shall be brought to the attention of the Board of Directors at its meeting held thereafter.