

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

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

**BATLIBOI LIMITED**

## 1. Introduction

In terms of the Regulation 16(1)(c) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Company is required to formulate a policy for determining ‘material’ subsidiaries. In compliance with the said requirement, the Board of Directors of Batliboi Limited has adopted the following policy and procedure with regard to determination of and matters relating to Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

In this context, the Board of Directors of “**Batliboi Limited**” has adopted this Policy at its meeting held on January 30, 2016.

## 2. Objective

The objective of this policy is to determine the Material Subsidiaries of Batliboi Limited and to provide governance framework for such subsidiaries.

## 3. Definitions

”**Board of Directors**” or “**Board**” means Board of Directors of the Company constituted from time to time.

“**Company**” means Batliboi Limited.

“**Policy**” means this Policy, as amended from time to time.

“**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 Companies Act, 2013 and Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Subsidiary**” shall mean a subsidiary as defined under Companies Act, 2013 and Rules made there under.

“**Material 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 immediately preceding accounting year.

“**Unlisted Material Indian Subsidiary**” means a Material Subsidiary whose equity shares are not listed on any Stock Exchange.

“**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 material subsidiary for immediately preceding financial year.

#### **4. Policy for determining Material Subsidiary**

A subsidiary shall be considered Material if any of the following conditions are satisfied:

- a) If the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b) If the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

#### **5. Governance Framework**

- The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company.
- The management should periodically bring to the attention of the Board of Directors of the company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

#### **6. Provisions applicable to Unlisted Material Subsidiary**

At least one Independent Director of the Company shall be a Director on the Board of the material unlisted Indian subsidiary company.

#### **7. Provisions applicable to all Material Subsidiaries, including Unlisted Material Subsidiary**

The Board shall not without the prior approval of the members by Special Resolutions, shall not:-

- dispose of the 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 divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- sell, dispose off and lease assets amounting to more than 20% 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.

#### **8. Scope and Limitations**

In the event of any conflict between the provisions of this Policy and the SEBI's LODR Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the

provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

**9. Disclosure**

As prescribed under Regulation 46 (1) of the SEBI's LODR Regulations, this policy shall be disclosed on the company's website [www.batliboi.com](http://www.batliboi.com).