

## **POLICY ON MATERIAL SUBSIDIARIES OF ASPINWALL AND COMPANY LIMITED**

### **1. Introduction**

The Board of Directors (The “Board”) of Aspinwall and Company Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below.

This Policy will be applicable to the Company with effect from 03<sup>rd</sup> August, 2016, and is in terms of Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

### **2. Objective**

This Policy deals with the determination of Material Subsidiaries of the Company in terms of LODR to determine the Material Subsidiaries of the Company and to provide the governance framework for such Subsidiaries.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

### **3. Definitions**

**3.1: “Audit Committee” or “Committee”** means Audit Committee constituted by the Board of Directors of the Company, from time to time under the provisions of LODR and/or the Companies Act, 2013.

**3.2: “Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.

**3.3: “Company”** means Aspinwall and Company Limited.

**3.4: “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 the Companies Act, 2013 and the LODR.

**3.5: “Policy”** means Policy on Material Subsidiaries of the Company.

**3.6: “Material Non Listed Indian Subsidiary”** shall mean a Material Subsidiary which is incorporated in India and is not listed on any Indian Stock Exchanges whose income or net-worth (i.e. the aggregate of paid-up capital and free reserves) exceeds 20 per cent of the consolidated income or net-worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

**3.7: “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 material unlisted subsidiary for the immediately preceding accounting year.

**3.8: “Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

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

- i. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
  - a. If the investment of the Company 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.

- ii. One Independent Director of the Company shall be a Director on the Board of the Material Non-Listed Indian Subsidiary Company.
- iii. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- iv. The minutes of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- v. The Management shall 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.

## **5. Disposal of Material Subsidiary**

The Company shall not:

- i. 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.
- ii. sell, dispose off and lease assets amounting to more than twenty percent 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.

## **6. Policy Review**

This policy shall be subject to review as may be deemed necessary by the Board and any subsequent amendment / modification in the Listing Agreement, Companies Act, 2013, LODR and/or applicable laws in this regard shall automatically apply to this Policy.