

ELCID INVESTMENTS LIMITED

POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES

Elcid Investments Limited (hereinafter referred to as “the Company”) has investments in two subsidiaries. The Company does not have any material subsidiary as on the date of approving this Policy. This Policy shall apply for determining a material subsidiary of the Company.

- e. **“Material Non-Listed Indian Subsidiary”** shall mean a Non-Listed Subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

For the purpose of this policy:

- a. **“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 Non-Listed Subsidiary for the immediately preceding accounting year.
- b. **“Subsidiary(s)”** shall mean subsidiaries of the Company as defined under the Act.

Words, terms and expressions used and not defined in these rules or Listing Agreement but defined in the Act shall have the same meaning respectively assigned to them in the Act.

3. POLICY AND PROCEDURES

- I. The Company shall consider a subsidiary as a material subsidiary if it satisfies any of the following criteria:
 - a. The Subsidiary has generated ten per cent (10%) of the consolidated income of the Company during the previous financial year.
 - b. The net worth of the subsidiary exceeds ten per cent (10%) of the consolidated net worth of the Company during the previous financial year.
- II. The Board shall appoint one of the Independent Director of the Company as a Director on the board of directors of the Material Non-Listed Indian Subsidiary.
- III. The Company shall follow such governance procedures in relation to Material Subsidiaries as may be outlined in the Securities Exchange Board of India Rules & Regulations and the Companies Act 2013 from time to time.

IV. The Company shall not

- a. dispose of 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%)/ cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; or
- b. sell, dispose and/or lease assets amounting to more than twenty percent (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.

- V. The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance in this regard.

This Policy may be amended by the Board from time to time to be in line with any amendments made to the Listing Agreement, the Act and such other guidelines issued by SEBI.

*The policy was revised as per the amendment in SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015. The same was approved in the board meeting held on 30th March 2019.