



# **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

## EDEL FINANCE COMPANY LIMITED- POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

### Preamble

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") mandates all the companies whose securities are listed on a stock exchange to formulate a policy for determining 'material' subsidiary. This policy has been formulated in conformity with the applicable Regulations.

### Policy

- i. "**Material Subsidiary**" shall mean a subsidiary, whose income or net worth exceeds 10% percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

### Approval of the Members of the Company

The approval of the members shall be required in the following circumstances: -

- i. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of the members by way of a special resolution, unless 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.
- ii. Disposal of the shares of the Material Subsidiary which would reduce the shareholding of the Company in a subsidiary (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 such divestment 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.

### Review of Policy:

This Policy shall be reviewed by the Board as may be deemed necessary and in accordance with any statutory /regulatory requirements. In case of any change/amendment in applicable statutes/regulations, the Policy shall stand revised to the extend thereto.