



NAKODA GROUP OF INDUSTRIES LIMITED

(CIN: - L15510MH2013PLC249458)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Title:

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

Objective:

This Policy is framed, pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), to ensure governance framework of material subsidiaries.

Definitions:

'Act' means Companies Act, 2013 (Act) and Rules made thereunder, including any amendments or modifications thereof.

'Board' means the Board of Directors of Nakoda Group of Industries Limited.

'Company' means Nakoda Group of Industries Limited.

'Holding Company' in relation to one or more other companies, means a company of which such companies are subsidiary companies.

'Independent Director' means a director of the Company who is not a Managing Director or Whole-time Director or Nominee Director and who is neither a promoter of the Company or its holding, subsidiary or associate company and who is not related to a promoter or Director of the Company or its holding, subsidiary or associate company and who satisfies the criteria for independence as prescribed by Section 149(6) of the Act as also Regulation 16(1)(b) of the Listing Regulations.

'Policy' means this Policy as amended from time to time.

'Subsidiary' shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and Rules made thereunder.

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

'Unlisted Material Subsidiary' means a Material Subsidiary whose equity shares are not listed on any recognized stock exchange in India.



'Significant transaction or arrangement' means 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 in the immediately preceding accounting year.

Governance Framework:

- a) At least one Independent Director on the Board of the Company shall be a director on the board of an unlisted material subsidiary, whether incorporated in India or not.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- c) The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meetings of the Company.
- d) The management of the unlisted subsidiary 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.

Requirements regarding Material Subsidiary:

The Company shall not without passing a special resolution in its General Meeting: -
dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the material subsidiary, 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 stock exchanges within one day of the resolution plan being approved; or 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 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 stock exchanges within one day of the resolution plan being approved.

Scope and Limitation:

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules made thereunder and the Listing Regulations, the provisions of the Companies Act, 2013/Rules, SEBI Act/Rules and Listing Regulations shall prevail.

Dissemination of the Policy:

This Policy shall be hosted on the website of Nakoda Group of Industries Limited and a web-link thereto shall be provided in the Annual Report.

Amendments:

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.
