

ASHOKA BUILDCON LIMITED
Policy on Material Subsidiaries (Pursuant to Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”)

Introduction

In pursuance of the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “LODR 2015”), the Company has formulated this policy for determining material subsidiary of the Company.

Purpose

The purpose of this Policy is to determine material subsidiary/(ies) of the Company. All the Words and expressions used in this Policy, unless defined herein, shall have meaning respectively assigned to them under the LODR 2015 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.

Policy

1. A subsidiary shall be considered as '**MATERIAL SUBSIDIARY**' if –
 - net-worth of the subsidiary exceeds 10% of the consolidated net-worth of the Company in the immediately preceding accounting year

OR

 - income of the subsidiary exceeds 10% of the consolidated income of the Company in the immediately preceding accounting year.
2. One Independent Director of the Company shall be a Director on the Board of the material unlisted Indian subsidiary company. For the purpose of the appointment of one Independent Director in unlisted material subsidiary, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty per cent (20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
3. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company and the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
4. The minutes of the unlisted subsidiary companies shall be placed before the Board of the Company.
5. 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.

6. The Company shall not dispose of 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.
7. The Company shall not sell, dispose-off and/or lease any assets amounting to more than twenty per cent of the assets of the material subsidiary without seeking prior approval of shareholders by way of special resolution.

Date of applicability of policy

This Policy has been adopted by the Board of Directors of Ashoka Buildcon Limited ('the Company') at its Meeting held on March 15, 2019 (The erstwhile Policy for determining Material Subsidiaries stands replaced by this Policy and the effective date is April 01, 2019.). The Policy shall also be displayed on the website of the Company.

Amendments / Modifications

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the LODR 2015 or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the LODR 2015 or such applicable law, the provisions of the Companies Act, 2013 or the LODR 2015 or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such changes. The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

This Policy has been revised and approved by Board of Directors at its meeting held on March 15, 2019 and effective from April 01, 2019.