

CENTRUM CAPITAL LIMITED

POLICY ON MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors (the “Board”) of Centrum Capital Limited (“the Company”) has adopted the following policy and procedures with regard to determination of “Material Subsidiaries” as defined below. The Board shall review and amend this policy from time to time.

This Policy shall be applicable to the Company with effect from 1st October, 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.*

2. POLICY OBJECTIVE

The objective of the policy is to determine the “material subsidiaries” of the Company and to provide the governance framework for such subsidiaries.

3. DEFINITIONS

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013 & rules framed thereunder.

“Board of Directors” or “Board” means the Board of Directors of Centrum Capital Limited, as constituted from time to time.

“Chief Financial Officer”/ “CFO” means a person appointed as the Chief Financial Officer of the Company.

“Independent Director” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges and/ or such other regulatory changes applicable to the Company in this regard.

“Policy” means Policy on Material Subsidiary.

“Material Subsidiary” means, a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“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 material unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” has the meaning as assigned to it under the Companies Act, 2013 and the Rules framed thereunder.

4. POLICY

1. Atleast one Independent Director on the Board of Directors of the Holding Company shall be a director on the Board of Directors of a unlisted material subsidiary, incorporated in India.
2. The Audit Committee of the listed Holding Company shall also review the financial statements, in particular, the investments made by the Unlisted Material Subsidiary Company.
3. The minutes of the Board Meetings of the Unlisted Material Subsidiary Companies shall be placed at the Board Meeting of the listed Holding Company.
4. The CFO/ Managing Director should periodically bring to the attention of the Board of Directors of the listed company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Material Subsidiary Company.
5. The CFO/ Managing Director shall present to the Audit Committee annually the list of such material subsidiaries together with the details of the materiality defined herein.
6. Furthermore, where a listed Holding Company has a listed Subsidiary which is itself a Holding Company, the above clauses of policy shall apply to the listed Subsidiary in so far as its Subsidiaries are concerned.

5. DISPOSAL OF MATERIAL SUBSIDIARY

The Company, without the approval of the Members by Special Resolution in its General Meeting, shall not:

- a) dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty per cent); or
- b) cease the exercise of control over the Material Subsidiary.

The Company, without the prior approval of the Members by Special Resolution, shall not sell, dispose or lease the assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year.

However, where a divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, the aforesaid restrictions shall not apply.

6. DISCLOSURES

The Company shall disclose the Policy on the Company's website and a web link thereto shall be provided in the Annual Report.

(*revised in compliance with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Note:

Last reviewed on: August 31, 2017

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