



**Vipul
VIPUL LIMITED**

Policy- Material Subsidiaries

This revised policy effective from April 01, 2019

This policy is originally framed based on erstwhile Listing Agreement entered by the Company with the Stock Exchanges and primarily intended to ensure the determination of Material Subsidiaries. The Board has revised the said policy in line with norms laid under SEBI (LODR) Regulations, 2015.

This policy is to regulate transactions pertaining to its Material Subsidiaries based on the applicable laws and regulations applicable to the Company.

The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

DEFINITIONS

“Act” means Companies Act, 2013 & rules made thereunder.

“Holding Company” as defined under Section 2(46) of the Act.

“Subsidiary Company” as defined under Section 2(87) of the Act.

“Material Subsidiary” as per 16(1)(c) of SEBI (LODR) Regulations, 2015 shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Corporate Governance with respect to subsidiary of listed entity

At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of unlisted material subsidiary, whether incorporated in India or not.

The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

The minutes of the meetings of Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the listed entity

A statement of all significant transactions and agreements entered into by the unlisted subsidiary company shall be periodically informed to the Board of Directors of the Company.

”Significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the **unlisted subsidiary** for the immediately preceding accounting year.

The Company shall not dispose of shares in its **material subsidiary** resulting in reduction of its shareholding (either in its own or together with other subsidiaries) to less than fifty percent 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 being approved.

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 shareholders by way of 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 being approved.

The Company does not have any Listed Subsidiary.