



# **HELPAGE FINLEASE LIMITED**

## **POLICY FOR DETRMINING THE 'MATERIAL' SUBSIDIARIES**



## 1.1 INTRODUCTION

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires every listed Company to formulate a policy for determining material subsidiaries. This Policy of determining material subsidiaries ("the Policy") is framed in context of the above statutory requirement and to put in place an appropriate framework for this purpose by HELPAGE FINLEASE LIMITED ("the Company"). All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations, and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made / issued thereunder, as amended, from time to time.

## 1.2 DEFINITIONS

**Determination of material subsidiary:** A subsidiary will be considered as a "Material Subsidiary" of the Company in case its income or net worth (i.e., paid up capital and free reserves) exceeds threshold percentage as defined in the Listing Regulations, of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

**Significant Transaction:** It shall mean any individual transaction or arrangement that exceeds or is likely to exceed threshold percentage, as defined in the Listing Regulations, of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary company for the immediately preceding accounting year.

## 1.3 POLICY

1. The Audit Committee of the Company shall review the financial statements, in particular the investments made by the unlisted material subsidiary Company.
2. The Minutes of the Board Meetings of the unlisted material subsidiary Companies shall be placed before the Board of the Company.
3. 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.
4. At least one independent director on the Board of the Company shall be a director on the Board of unlisted material subsidiary Company.



5. Following transactions shall be undertaken only after passing a special resolution in its General Meeting unless such disinvestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal:

- a) Disposing of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than prescribed threshold limit or cease the exercise of control over the material subsidiary Company.
- b) Selling, disposing and leasing of assets amounting to more than prescribed threshold limit of the assets of the material subsidiary on an aggregate basis during a financial year.

6. The Policy shall automatically stand modified to cover revision(s) / amendment(s) in accordance with the applicable laws and regulations in force from time to time.

#### **1.4 REVIEW / AMENDMENTS TO POLICY**

The Policy would be reviewed on an annual basis by the Board of Directors. In case, there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended with due approval from the Board of Directors. However, the amended regulatory requirements will supersede the existing Policy till the time Policy is suitably amended.

#### **1.5 DISCLOSURES**

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website.

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