

## Policy for determining Material Subsidiaries

### [Pursuant to Regulation 30 (4) (ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### 1. PURPOSE

The purpose of this policy is determination of Material subsidiaries of the Company and disclosure thereof, as required under Clause 49(V)(D) of the listing agreement, (including any amendments thereof). This policy will come into effect from October 01, 2014.

#### 2. OBJECTIVE

The Objective of this policy is to determine:

- i) meaning of "Material"™ subsidiary
- ii) requirement of Independent Director in certain Material Non Listed Indian Subsidiaries
- iii) restriction on disposal of shares of a material subsidiary by the company
- iv) restriction on transfer of Assets of a material Subsidiary and
- v) Disclosure requirements, based on revised Clause 49 of the Listing Agreement and any other law and regulations as may be applicable to the company.

#### 3. DEFINITION

- i) "Act" means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- ii) "Company" means INDUSTRIAL INVESTMENT TRUST LIMITED (IITL).
- ii) "Holding Company" shall mean company as defined under clause 2(46) of the Act .;
- iii) "Material Non-listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year
- vi) "Material Subsidiary" is a subsidiary in which:
  - Investment of the company in the subsidiary exceeds twenty percent (20%) of the consolidated net worth as per the audited balance sheet of the previous financial year; or
  - If the subsidiary has generated twenty percent (20%) of the consolidated income of the company during the previous financial year.
- viii) "Significant transaction or arrangement" shall mean 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 immediate preceding accounting year.
- iv) "Subsidiary" shall mean a subsidiary company as defined under the Act 2013 and the Rules made thereunder.

Any other item not defined herein, shall have the same meaning as described in the Companies Act, 2013 and the rules framed thereunder, the Listing Agreement or any other relevant legislation/ regulation applicable to the Company.

#### **4. INDEPENDENT DIRECTOR ON THE BOARD OF A MATERIAL NON LISTED INDIAN SUBSIDIARY**

At least one Independent Director on the Board of the Company shall be a Director on the Board of a Material non-listed Indian Subsidiary.

#### **5. IMPLEMENTATION AND APPROVAL PROCESS**

**i) Statement of Signification transaction/Arrangement of a Material non Listed Subsidiary:** The management should periodically bring to the attention of the Board of the Company, a Statement of all significant transactions and arrangements entered into by any Material non-listed subsidiary Company.

**ii) Restriction on disposal of shares of a Material Subsidiary:** 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, except in such cases where divestment is under a scheme of arrangement, duly approved by a Court/Tribunal.

**iii) Restriction on transfer of assets of a Material Subsidiary:** The Company shall not sell, dispose or lease the assets, amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year, without taking 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.

#### **6. DISCLOSURES**

As prescribed under the revised Clause 49 (V) (D) of the Listing Agreement this policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report of the Company.

#### **7. REVIEW OF THE POLICY**

This policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.