

POLICY ON DETERMINING MATERIAL SUBSIDIARIES OF WANBURY LIMITED

1. Objective

Securities Exchange Board of India (SEBI) through the Listing Agreement (including any statutory enactments / amendments thereof) requires all listed companies to formulate a policy for determining 'material subsidiaries', effective 1st October 2014. The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

2. Definitions

'Act' means Companies Act, 2013 and Rules thereunder.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Clause 49 of the Listing agreement and Section 177 of the Companies Act, 2013.

"Board" means Board of Directors of the Company

"Company" means Wanbury Limited.

"Independent Director" means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the stock exchanges.

"Policy" means Policy on Determining Material Subsidiary's.

"Material Non-Listed Indian Subsidiary" mean 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 listed holding company and its subsidiaries in the immediately preceding accounting year.



"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 the immediately preceding accounting year.

"Subsidiary" shall mean a subsidiary as defined under the Companies Act, 2013.

3. Criteria for determining the Material subsidiaries:

A subsidiary shall be a Material Subsidiary for the financial year, if any of the following conditions are satisfied:

- a. Investment of the Company in the subsidiary exceeds 20% of its consolidated net worth; or
- b. the subsidiary has generated 20% of the consolidated income of the Company during the financial year.

Net-worth or Income, as the case may be, shall be as per the audited balance sheet of the previous financial year.

The Audit Committee to annually review the list of subsidiaries together with the details of the materiality defined herein. If, during the year, any new Company is acquired or shareholding in any Company is increased making it a subsidiary Company, the Audit Committee shall review the details of the materiality defined herein.

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4. Governance of Material subsidiaries

- (i) Atleast one Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company (subsidiary company).
- (ii) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the subsidiary company on a quarterly basis.
- (iii) The minutes of the Board Meetings of the subsidiary company be placed before the Board of the Company in regular intervals.
- (iv) Board of Directors of the Company, review all the significant transactions and arrangements entered into by the subsidiary company, on a quarterly basis.
- (v) On the recommendation of the Nomination and Remuneration Committee of the Company, the Board may appoint such number of Independent Directors in the subsidiary company.
- (vi) The Company, without the prior approval of the members by Special Resolution, shall not:
 - a. dispose the shares held in material subsidiaries which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50%;or
 - b. ceases the exercise of control over the material subsidiary; or



- c. Sell, dispose of or lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5. Disclosure

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

6. Amendments

This Policy may be amended by the board at any time and is subject to the (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including Listing Agreement.

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