

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **POLICY ON MATERIAL SUBSIDIARIES**

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### 1. OBJECTIVE:

The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of Prime Urban Development India Limited.

### 2. APPLICABILITY:

This policy shall be effective from 1st December, 2015.

### 3. DEFINITIONS:

**“Audit Committee or Committee”** means a Committee of Directors of the Company, as constituted from time to time under Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Board of Directors” or “Board”** means the collective body of the Directors of the Company, as constituted from time to time.

**“Company”, “This Company”, “The Company”**, wherever occur in the policy shall mean “Prime Urban Development India Limited”.

**“Control”** means the right to appoint majority of Directors or to control the Management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

**“Independent Director”** means a Director of the Company, not being a Whole-time Director who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies other criteria for independence as laid down under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Material Subsidiary”** means a Subsidiary Company in accordance to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 including any statutory modification and or amendment thereof from time to time being in force.

**“Policy” means** Policy on Material Subsidiaries.

**“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is 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 material unlisted subsidiary for the immediately preceding accounting year.

**“Subsidiary Company”** shall be as defined under the Companies Act, 2013 and the Rules made there under.

#### **4. INTERPRETATION:**

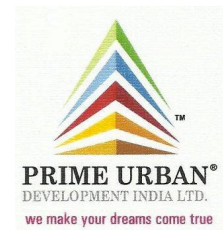
All the words and expressions used in this Policy, unless defined herein, shall have meaning assigned to them under the Act, Listing Regulations, statutory enactments and rules, notifications, circulars issued there under, as amended, from time to time (collectively the “Statutory Provisions”).

In case of any conflict between the provisions of this Policy and of Statutory Provisions the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/modification in the Statutory Provisions shall automatically apply to this Policy.

#### **5. GOVERNANCE FRAMEWORK:**

##### **5.1 All Subsidiaries:**

- i. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company/ies.
- ii. The minutes of the meeting of the Board of Directors of the Unlisted Subsidiary Company/ies shall be placed at the meeting of the Board of Directors of the Company.
- iii. The Management of the Unlisted Subsidiary Company/ies shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company/ies.



- iv. Where a Company has a Listed Subsidiary, which is itself a holding Company, the provisions of this regulation shall apply to the Listed Subsidiary in so far its Subsidiaries are concerned.

## **5.2 Material Subsidiaries:**

- i. A Subsidiary shall be a Material Subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- ii. At least One Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an Unlisted Material Subsidiary Company/ies, incorporated in India.
- iii. The Company shall not dispose of the shares in its Material Subsidiary resulting in reduction of its shareholding (either on 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.
- iv. The Company shall not sell, dispose off and lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year without 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. REPORTING AND DISCLOSURE:**

As stipulated by Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy shall be disclosed on the Company's website i.e. [www.ptlonline.com](http://www.ptlonline.com) and a web link shall be provided in its Annual Report.

## **7. POLICY REVIEW:**

Any change in this Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems, fit or from time to time, and the decision of the Board in this respect shall be final and binding.

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