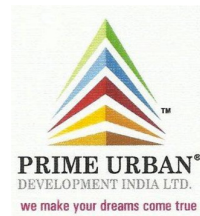


PRIME URBAN DEVELOPMENT INDIA LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Effective from April 1, 2019



POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. PURPOSE:

This Policy has been formulated as per requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) for the purpose of determining Material Subsidiaries of Prime Urban Development India Limited. Pursuant to the amendments prescribed to SEBI Listing Regulations vide notification dated May 9, 2018, this revised Policy is being adopted by the Company which comes into effect from April 1, 2019.

2. DEFINITIONS:

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

“**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 (“Act”) and Regulation 18 of the SEBI Listing Regulations.

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

“**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 Act and the SEBI Listing Regulations.

“**Material Subsidiary**” means a Subsidiary Company in accordance to Regulation 16(1)(c) of the SEBI Listing Regulations including any statutory modification and or amendment thereof from time to time being in force.



“Unlisted Material Subsidiary” means a Material Subsidiary whose securities are not listed on any recognized Stock Exchanges in India.

“Policy” means Policy on Material Subsidiary.

“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 unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary Company” shall be as defined under the sub-section (87) of Section 2 of the Act.

“Consolidated Income or Consolidated Networth” means the total income or networth of the Company and its subsidiaries.

3. 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.

4. GOVERNANCE FRAMEWORK:

4.1 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.

4.2 Material Subsidiaries:

- i. A Subsidiary shall be a Material Subsidiary, whose income or net worth exceeds ten 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 or abroad.

For the purposes of this provision, “Material Subsidiary” shall mean a 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.

- 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, 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 plan being approved.
- iv. The Company shall not sell, dispose off or 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, 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 plan being approved.



- v. All Material Unlisted Subsidiaries of the Company incorporated in India shall undertake secretarial audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified under the Act and Regulations.

5. REPORTING AND DISCLOSURE:

As stipulated by Regulation 46(2) of the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website (www.ptlonline.com) and a web link shall be provided in the Annual Report of the Company.

6. AMENDMENTS:

The Board of Directors on its own and / or as per the recommendations of Audit Committee can revise/amend any of the provisions of this Policy or the entire Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
