



SAFARI INDUSTRIES (INDIA) LIMITED

POLICY ON MATERIAL SUBSIDIARIES

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1. Preface

The Board of Directors (the “Board”) of Safari Industries (India) Limited (the “Company”) has adopted the following policy (the “Policy”) with regard to determination of Material Subsidiaries of the Company.

This Policy has been formulated in accordance with the Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).

2. Effective Date:

This Policy is effective from 1st April 2019.

3. Objective of the Policy

This Policy has been framed to determine the Material Subsidiaries of the Company and to provide the governance framework for such Subsidiaries.

4. Definitions

- a. “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 Listing Regulations.
- b. “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- c. “Independent Director” means a Director of the Company who satisfies other criteria for independence prescribed under the Companies Act, 2013 and the Listing Regulations.
- d. “Material Subsidiary” means a Subsidiary Company, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- e. “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 Material Subsidiary Company for the immediately preceding Accounting Year.

- f. “Subsidiary Company” means the Subsidiary Company as defined under the Companies Act, 2013 and the Rules made thereunder.
- g. “Unlisted Material Subsidiary” means a Material Subsidiary whose equity shares are not listed on any recognized stock exchange in India.

5. Compliance to be done by the Company

The Company, as a Holding Company, is required to comply with following:

- a) The Company shall appoint at least one Independent Director of the Company on the Board of its Unlisted Material Subsidiary Company.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by its Unlisted Subsidiary Company/ies.
- c) The Minutes of the Board Meeting/s of the Unlisted Subsidiary Company/ies and its Significant Transactions and/or Arrangements shall be placed before the Board of the Company.
- d) 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.
- e) The Company, without the prior approval of the Members, shall not:
 - i. dispose of its shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty percent; or ceases the exercise of control over the Subsidiary/ies except in cases where 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; or
 - ii. sell, dispose or lease the 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 or 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.

- f) In case the Company has a listed subsidiary which itself is a holding company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

6. Communication of this Policy

A copy of this Policy shall be handed over to the Directors of the Company within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

7. Amendment

Any change in the 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.