

## **DCM SHRIRAM INDUSTRIES LIMITED**

### **POLICY ON MATERIAL SUBSIDIARY**

**(Pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)**

#### **1. PREAMBLE**

Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“LODR Regulations”) requires the Board of Directors to frame a policy on Material subsidiary.

(Material subsidiary

A subsidiary shall be considered as a “Material Subsidiary” if its income or net worth exceeds 20% of the consolidated income or net worth respectively of DCM Shriram Industries Limited (holding Company) and its subsidiaries in the immediately preceding year.)

DCM Shriram Industries Ltd. (the Company) presently does not have a material subsidiary.

Considering the above requirement, the Board in its meeting held on 12.2.2016 has laid down the following Policy on Material Subsidiary.

#### **2. SCOPE/ POLICY**

This Policy sets out the criteria for determining material subsidiaries, if and when required.

#### **3. GOVERNANCE**

##### **I. The Company shall follow the below practices in respect of all its Material Subsidiaries:**

- a) The Company shall not dispose of shares in its Material Subsidiary which results in reduction in 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 cases where such disinvestment is made under a Scheme of Arrangement duly approved by a Court/ Tribunal.
- b) Selling, disposing of and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary shall be done with prior approval of shareholders of the Company by way of special resolution, except in cases where such sale/ disposal/ lease is made under a Scheme of Arrangement duly approved by a Court/ Tribunal.

**II. The Company shall follow the below practices in respect of all its Material Non-listed Indian Subsidiaries:**

- a) At least one Independent Director of the Company shall be a Director on the Board of Directors of Material non-listed Indian subsidiary company.
- b) The Audit Committee of the Company shall annually review the financial statements; in particular the investments made by all the Material Non-listed Indian subsidiary.
- c) The Minutes of the Board Meetings of Material Non-listed Indian subsidiary company shall be placed at the Board meeting of the Listed holding Company.
- d) The management of the Company shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions or Agreements entered into by the Material Non-listed Indian subsidiary.

**4. REVIEW**

This Policy shall be reviewed by the Board based on the needs of the organization and any legislative requirement/s.

-----