

# **Shree Pacetronix Limited**

## **POLICY ON MATERIAL SUBSIDIARIES**

### **INTRODUCTION**

The Board of Company has adopted the following policy and procedures to determine Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

Effective 1 October 2014, this Policy is in terms of Clause 49 of the Listing Agreement.

### **DEFINITIONS**

- I. **“Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.
- II. **“Board of Director” or “Board”** means the Board of Directors of the Company.
- III. **“Company”** means Transport Corporation of India Limited (TCI).
- IV. **Material Non Listed Indian Subsidiary** shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.
- V. **“Policy”** means Policy on Material Subsidiaries.
- VI. **“Significant transaction or arrangement”** means any individual transaction/arrangement that exceeds or is likely to exceed 10% of the total revenues/expenses/assets/liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

### **POLICY**

1. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied: a. In which the current/proposed Investment of the Company exceeds 20% of its consolidated net worth as per the last audited balance sheet; or b. Which have generated atleast 20% of the consolidated income of the Company during the previous financial year.
2. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
3. The Committee shall examine the financial statements, in particular, the investments made by the unlisted subsidiary Company on quarterly basis.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on quarterly basis.
5. The management shall, on quarterly basis, place before the Board, a report of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

### **DISCLOSURES**

This Policy is to be placed on the website of the Company & the web link shall be provided in the Annual Report.

### **AMENDMENT**

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company and hosted on the Company website.

**INTERPRETATION**

Any words used in this policy but not defined herein shall have the same meaning attributed to it in the Companies Act, 2013 or Rules made thereunder, Listing Agreement or any other relevant law applicable to the Company.