

GLOBAL INFRA TECH & FINANCE LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Purpose and Scope

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of clause 49(V)(D) of the Listing Agreement (including any amendments thereof).

The Policy will be used to determine the Material Subsidiaries of Global Infratech & Finance Limited and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Agreement and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

Identification of 'Material' Subsidiary

A subsidiary shall be considered as material if –

- the investment of the Company, whether current or prospective, in the subsidiary exceeds 20 per cent of the consolidated net worth of the Holding Company as per the audited balance sheet of the previous financial year or,
- if the subsidiary has generated 20 per cent of the consolidated income of the Holding Company during the previous financial year.

Governance Framework

- a) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the subsidiary Company.
- b) The minutes of the Board Meetings of the Subsidiary Companies shall be placed before the Board of the Company.
- c) 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 subsidiary company.
- d) One Independent Director of the Company shall be a director on the Board of the Material Indian Subsidiary Company.

Disposal of Material Subsidiary

The Company shall not dispose of shares in its' material subsidiary which would:

- reduce its shareholding (either on its own or together with other subsidiaries) to less than 50 per cent or cease the exercise of control over the subsidiary or,
- amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year

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 under the Companies Act, 2013 or rules made thereunder.

Policy Review

This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.