

ELDECO HOUSING AND INDUSTRIES LIMITED

Policy on Material Subsidiaries

INTRODUCTION

Pursuant to Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to formulate a policy for determining material subsidiary.

POLICY / COMPLIANCES

A material subsidiary shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- One Independent Director of the Company shall be a director on the Board of the Unlisted Material Subsidiary, incorporated in India.
- The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company..
- The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board at the Board Meeting of the Company.
- The management shall on a yearly basis 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.

DISPOSAL OF MATERIAL SUBSIDIARY

The Company, without the approval or prior approval, as the case may be, of the members by Special Resolution, shall not:

- dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%, or ceases the exercise of control over the Subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; OR
- sell, dispose or lease the assets amounting to more than 20% 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/Tribunal

DISCLOSURES

The Policy for determining material subsidiaries is to be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.
