

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

Updated on: May 25, 2021

A. PURPOSE OF THE POLICY

The purpose of this Policy is to determine Material Subsidiaries and its disclosure thereof pursuant to Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Board of Directors (the "Board") of TTK Prestige Limited (the "Company"), has, therefore, adopted the following policy and procedures with regard to determination of 'material subsidiaries' ("Policy").

B. OBJECTIVE OF THE POLICY

The objective of this Policy is to determine (a) meaning of Material Subsidiary (b) requirement of appointing an independent Director of the Company on the Board of Unlisted Material Subsidiaries (c) Restriction on disposal of shares of Material Subsidiaries by the Company (d) Restriction on Selling, Disposing and Leasing of assets of Material Subsidiary (e) Secretarial Audit of Material unlisted subsidiaries and (f) Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to TTK Prestige Limited.

C. DEFINITIONS

"Audit Committee" means the committee constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations

"Board" means Board of Directors of TTK Prestige Limited

"Company" means 'TTK Prestige Limited'

"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner; provided that a Director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

"Consolidated Income or Net Worth" means the total income or net worth of the Company and its subsidiaries.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Regulations.

"Material Subsidiary" unless specified otherwise, a 'Material Subsidiary' shall mean a subsidiary, 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.

"Material Unlisted Subsidiary" unless specified otherwise, a 'Material Unlisted Subsidiary' shall mean a subsidiary, 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 and which is either incorporated in India or abroad and is not listed on the recognised stock exchanges either in India or abroad.

Significant Transaction or arrangement implies any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

Subsidiary shall mean as defined under Sec 2(87) of the Companies Act, 2013 Act and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, and / or any other applicable law or regulation and amendments thereto.

D. INDEPENDENT DIRECTOR OF THE COMPANY ON THE BOARD OF UNLISTED MATERIAL SUBSIDIARY

At least one independent Director on the Board of the Company shall be a director on the board of the Unlisted Material Subsidiary, whether incorporated in India or not.

For the purpose of compliance with the above, the term 'Material Subsidiary' shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated Income or net worth

respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

E. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment as under a scheme of management 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 recognised stock exchanges within one day of the resolution plan being approved.

F. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the company by way of special resolution, unless the sale/disposal/lease 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 and Bankruptcy code, 2016 ('Insolvency code') and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

G. SECRETARIAL AUDIT

Every Material Unlisted Subsidiary of the Company incorporated in India must undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

H. REVIEW THE LIST OF MATERTAL SUBSIDIARIES

The Management shall present to the Audit Committee annually, the list of the subsidiaries of the Company, together with the details of the materiality defined herein and the Audit Committee shall review the same and make suitable recommendations to the Board.

I. OTHER COMPLIANCES IN RESPECT OF UNLISTED SUBSIDIARIES WHETHER MATERIAL OR NOT

a. Significant Transactions/Arrangements:

The management should periodically bring to the attention of the Board a statement of all significant Transactions and Arrangements entered into by the unlisted subsidiary company.

b. Financial Statements:

The Audit Committee of the Company shall review the financial statement, in particular, the investments made by the Unlisted Subsidiary Companies of the Company.

c. Minutes of Unlisted Subsidiaries:

The minutes of the Meetings of the Board of Directors of the Unlisted Subsidiary Companies of the Company shall be placed at the Meeting of the Board of Directors the Company.

J. CONFLICTS

If conflicts between the provisions under Companies Act, 2013 and Listing Regulations are irreconcilably inconsistent, the stricter one shall prevail. Further, in the event of any conflict between the provisions of this Policy and the Companies Act, 2013 and/ or Listing Regulations and/ or any other applicable statutory enactments, rules etc., then the provisions under Companies Act, 2013 and/ or Listing Regulations and/ or any other applicable statutory enactments, rules etc. shall prevail over this Policy.

K. DISCLOSURES

As prescribed by Regulation 46(2)(h) of the Listing Regulations, this policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

L. AMENDMENTS

This Policy may be amended by the Board at any time and is subject to the (i) amendments to the Companies Act, 2013; (ii) Listing Regulations; and (iii) further guidelines and enactments that are issued by the SEBI from time to time.
