

## AURUM PROPTech LIMITED

### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(effective April 1, 2019)

#### I. OBJECTIVE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India require every listed Company to formulate a policy for determining material subsidiaries.

This Policy for determining material subsidiaries, has been framed in context of above statutory requirement and has been modified in line with subsequent amendments made to the said regulations.

#### II. DETERMINATION OF MATERIAL SUBSIDIARY

A subsidiary shall be considered as material whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

#### III. CORPORATE GOVERNANCE REQUIREMENTS FOR MATERIAL SUBSIDIARY

##### a) Appointment of Independent Director on Board of Unlisted Material Subsidiary

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

For this purpose, threshold limit for ascertaining material subsidiary has been kept at whose income or net worth exceeds 10% of consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year

##### b) Annual Secretarial Audit for Unlisted Material Subsidiary

Unlisted Material Subsidiary incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

##### c) Certain Transactions of Material Subsidiary to be approved by shareholders of the Company

Following transactions shall be undertaken only after passing a special resolution in its General Meeting unless such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal:

- i) Disposal of shares in its material subsidiary which results in reduction of shareholding of the Company (either on its own or together with other subsidiaries) to less than 50% or the Company ceases to exercise control over the subsidiary.
  
- ii) Selling, disposing and leasing of assets amounting to more than 20% of assets of the material subsidiary on an aggregate basis during a financial year.

#### **IV. DISCLOSURE**

This Policy shall be displayed on the website of the Company and a web link shall be provided in the Annual Report.

#### **V. POLICY REVISION**

This Policy can be changed, modified or abrogated at any time by the Board of Directors of the Company in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.