

SPICE MOBILITY LIMITED

Policy for determining Material Subsidiaries

(Effective from April 01, 2019)

{Version - 2}

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors of **Spice Mobility Limited** had adopted the Policy for determining Material Subsidiaries upon the recommendation of the Audit Committee w.e.f. October 01, 2014. In pursuance to the amendments made in Regulations 16(1)(c) and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. April 01, 2019, the Board of Directors has approved this revised “**Policy for determining Material Subsidiaries**”.

The Board of Directors of the Company may review and amend this Policy from time to time.

2. POLICY OBJECTIVE

To determine the Material Subsidiaries of the Company and to provide governance framework for such subsidiaries.

3. DEFINITIONS

- a. “**Audit Committee or Committee**” means Audit Committee of the Board of Directors of the Company constituted under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
- b. “**Board of Directors or Board**” means the Board of Directors of the Company.
- c. “**Independent Director**” means a director of the Company, who satisfies criteria for independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d. “**Company**” means Spice Mobility Limited, incorporated under the provisions of the Companies Act, 1956.
- e. “**Policy**” means this Policy or Policy for determining Material Subsidiaries, as amended from time to time.
- f. “**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.

- g. “**Unlisted Material Subsidiary**” means a material Subsidiary (whether incorporated in India or not) which is not listed on any Stock Exchanges in India or overseas.
- h. “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.
- i. “**Subsidiary**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

4. POLICY

4.1 Criteria for determining the Material Subsidiaries

- 4.1.1 A subsidiary shall be considered as a Material Subsidiary for the financial year if it falls under the definition provided above.
- 4.1.2 The Company shall review on annual basis such details / information as may be required to determine the ‘Material Subsidiaries’.

4.2 Governance of Material Subsidiaries

- 4.2.1 At least one independent director of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation - For this purpose, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds **twenty** percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- 4.2.2 The Audit Committee shall review the financial statements of each unlisted Subsidiary including material subsidiary, in particular, the investments made by such unlisted subsidiary on quarterly basis.
- 4.2.3 The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the Board of the Company on quarterly basis.

4.2.4 The management of unlisted subsidiary company shall bring to the attention of the Board of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company on quarterly basis.

4.3 Disposal of shares or assets of material subsidiary company

4.3.1 The Company, without prior approval of the shareholders by Special Resolution, shall not:

- a) dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%;
or
- b) cease the exercise of control over the Material Subsidiary; or
- c) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary during a financial year;

except in cases where such divestment/ loss of control/ sale/ disposal/ lease, etc. 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. DISCLOSURES

The Policy for determining material subsidiaries shall be disclosed on the website of the Company i.e. www.spicemobility.in and a web link thereto shall be provided in the Annual Report of the Company.
