

SAI CAPITAL LIMITED

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. BACKGROUND:

Explanation to Regulation 16(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) provides that a listed entity shall formulate a policy for determining ‘material’ subsidiary.

2. OBJECTIVE:

This Policy aims to determine the material subsidiary of the Company and provide a governance framework for such material subsidiary as per the requirements of LODR.

3. DEFINITIONS:

In this Policy, unless the context otherwise requires:

“**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“**Audit Committee**” or “**Committee**” means Committee of Board of Directors of the Company constituted under provisions of LODR and Companies Act, 2013.

“**Board of Directors**” or “**Board**” means the Board of Directors of Sai Capital Limited.

“**Company**” means Sai Capital Limited.

“**Independent Director**” shall mean 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 the criteria laid down under Section 149 of the Companies Act, 2013 and the LODR with the Stock Exchanges.

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.

“**Net Worth**” shall mean an aggregate of the ‘Paid up Share Capital’ and ‘Free Reserves’ of the Company.

“**Policy**” means this Policy, as may be amended from time to time.

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013 read with relevant Rules made there under, as may be amended from time to time.

“**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 material subsidiary for the immediately preceding accounting year.

Any word used in this Policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Accounting Standards or any other relevant legislation / law applicable to the Company.

4. POLICY REQUIREMENTS:

- a. At least one Independent Director of the Company shall be a director on the Board of unlisted material subsidiary incorporated in India.
- b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- c. The minutes of the Board meetings of the unlisted subsidiary shall be placed before the meeting of the Board of Directors of the Company.
- d. The management of unlisted subsidiary shall, on annual 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.
- e. The Company shall in the first quarter of every financial year, determine whether any of its subsidiaries fall under the criteria for Material Subsidiary as defined above. In case any of the subsidiaries fall under such criteria, the same shall be reported with necessary compliance requirements to the Board for its noting and necessary directions.

5. DISPOSAL OF MATERIAL SUBSIDIARY

The Company, without prior approval of the members by Special Resolution in its General Meeting, shall not:

- a. dispose off shares in its Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the Material Subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal.
- b. sell, dispose or lease the assets amounting to more than twenty percent 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.

6. LIMITATION

In the event of any conflict between the provisions of this Policy and the LODR / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such LODR / Companies Act, 2013 or statutory enactments, rules shall prevail over this policy.

7. DISCLOSURES

- a. The compliance with the requirements of this Policy shall be mentioned in the quarterly compliance report submitted to the Stock Exchanges.
- b. This Policy for determining material subsidiaries shall be uploaded on the website of the Company at www.saicapital.co.in and a web link thereto shall be provided in the Annual Report of the Company.

8. REVIEW

This Policy may be reviewed or amended by the Board of Directors of the Company in accordance with the statutory requirements.
