

**POLICY FOR DETERMINING
MATERIAL SUBSIDIARIES**

TITLE:

This Policy shall be called 'Policy for determining Material Subsidiaries'.

COMMENCEMENT:

This Policy shall come into effect from 7th February, 2018.

OBJECTIVE:

- This Policy is framed in accordance with the requirement of regulation 46 of chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) to be effective from 7th February, 2018 and is intended to ensure governance of material subsidiary companies.
- The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

DEFINITIONS:

- ❖ "Board" means the Board of Directors of Gayatri Highways Limited.
 - ❖ "Company" means Gayatri Highways Limited.
 - ❖ "Policy" means this Policy, as amended from time to time.
- a. A Subsidiary shall be considered as "material subsidiary" if the Turnover or networth of the Company exceeds ten percent of its consolidated Turnover or net worth of the listed entity and its subsidiaries in the immediately preceding accounting year.
 - b. "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.

POLICY:

(i) One Independent Director of the Company shall be a Director on the Board of the Unlisted Material Subsidiary Company whether incorporated in India or not. For the purpose of this clause, Material Subsidiary shall mean a Subsidiary whose Turnover 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.

(ii) The Audit Committee and the Board of the Company shall review the Financial Statements, in particular, the Investments made by the unlisted Subsidiary Company.

(iii) The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.

(iv) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

(v) Material Unlisted Subsidiaries Incorporated in India of every listed entity shall undertake Secretarial Audit.

Disposal of Material Subsidiary

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

- (a) dispose shares in Material Subsidiaries resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary or
- (b) ceases the exercise of control over the Subsidiary; or
- (c) 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.

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

This Policy shall be reviewed by the Board of Directors atleast once every three years and updated accordingly based on the recommendations of the Audit Committee.

INTERPRETATION:

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and Regulations made there under, Listing Obligations and Disclosure Requirements, 2015 or any other relevant legislation / law applicable to the Company.