

POLICY ON DETERMINING MATERIAL SUBSIDIARIES



SANSERA ENGINEERING LIMITED

Contents

- 1. Introduction..... 3**
- 2. Definitions 3**
- 3. Governance Framework..... 4**
- 4. Disclosures..... 5**
- 5. Policy review..... 5**

1. Introduction

The Board of Directors (the “**Board**”) of Sansera Engineering Limited (the “**Company**”) has adopted this policy to determine Material Subsidiaries of the Company and to govern their transactions.

2. Definitions

“Audit Committee or Committee”	means Committee of Board of Directors of the Company constituted under section 177 of the Companies Act, 2013, rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and amendments thereto.
“Board of Directors” or “Board”	The Board of Directors of Sansera Engineering Limited, as constituted from time to time as per the relevant laws and rules and regulations.
“Independent Director”	Shall have the same meaning as attributed to it under section 149(6) of the Companies Act, 2013 and the LODR.
“Material Subsidiary”	Shall mean a subsidiary of the company, 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 Non-listed Indian Subsidiary	Shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
“Significant Transaction or Arrangement”	shall mean 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 be as defined as under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder and amendments made thereto
“Senior Management”	shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below chief executive

officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) or any other applicable laws or rules or regulation to the extent applicable to the Company.

3. Governance Framework

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. For this requirement, 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 listed entity and its subsidiaries in the immediately preceding accounting year.

Following are the corporate governance requirements with respect to Subsidiary of the listed entity:

- a. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary company including investments in fixed assets.
- b. The Board of the Company is consulted in respect of the appointments, remuneration and severance of CEO & senior managerial personnel and reviews the business plans and contracts by the unlisted Subsidiary company.
- c. The minutes of the Board meetings of the unlisted Subsidiary companies shall be placed at the Board meeting of the company.
- d. A statement of all significant transactions and arrangements entered into by the unlisted Subsidiary for the immediately preceding accounting year, shall be brought to the notice of the Board of the Company .
- e. Material unlisted Indian Subsidiaries of the Company shall undertake secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified statutorily.
- f. The Company, shall not:
 - Dispose its shares in Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or ceases the exercise of control over the Subsidiary, without passing a special resolution in its General meeting, except in cases where divestment is under a scheme of arrangement duly approved by a court/ tribunal; or
 - Sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/dispose/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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- g. Where the listed entity has a listed Subsidiary, which is itself a holding company, the policy shall apply to the listed Subsidiary in so far as its Subsidiaries are concerned.

4. Disclosures

This Policy shall be disclosed on the website of the Company, i.e., www.sansera.in and a web link thereto shall be provided in the annual report.

5. Policy review

This policy shall be subject to review and changes as may be deemed necessary by the Board of Directors and to comply with any regulatory requirements.