

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

GLOSSARY

“Audit Committee” implies the audit committee constituted by the Board of Directors of the Company from time to time under provisions of the Listing Regulations and Section 177 of the Companies Act, 2013

“Board” implies Board of Directors of Phoenix Overseas Limited

“Company” implies Phoenix Overseas Limited

“Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

“Directors” implies all the Directors on the Board.

“ED” implies Executive Director of the Company

“Independent Director” or “ID” implies a non- executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

“Listing Regulations” implies the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto
“Material Subsidiary” Implies a subsidiary 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.

“Policy” implies this policy on determination of Material Subsidiaries of the Company

“Significant Transaction or Arrangement” implies 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 mean as defined under the Companies Act, 2013 Act and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation, as amended from time to time.

1. **PURPOSE OF THE POLICY** *The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company.*

2. **OBJECTIVE OF THE POLICY** *The objective of this Policy is to determine (a) meaning of Material Subsidiary (b) requirement of Independent Director in certain unlisted material subsidiaries, incorporated in India or not (c) Restriction on disposal of shares of Material Subsidiary by the Company (d) Restriction on transfer of assets of Material Subsidiary and (e) disclosure requirements, under the Listing Regulations, as amended, and any other laws and regulations as may be applicable to the Company.*

3. **INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL UNLISTED SUBSIDIARY INCORPORATED IN INDIA OR OVERSEAS** *At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Subsidiary, whether incorporated in India or overseas. Material Subsidiary, here, shall mean a subsidiary 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.*

4. **SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES** *The management should periodically submit to the Board a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary company.*

5. **RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY** *The Company shall not dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent [50%] or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment 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.*

6. **RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY** *Selling, disposing and leasing of assets amounting to more than twenty percent [20%] of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/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.*

7. **REPORTING AND DISCLOSURE** *As prescribed by revised Clause 46(2)(h) of the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.*

8. **REVIEW OF THE POLICY** *This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.*

9. **COMPLIANCE RESPONSIBILITY** *Compliance of this Policy shall be the responsibility of the Company Secretary and Chief Legal Officer (Corporate & Compliance) of the Company who shall have the power to ask for any information or clarifications from the management in this regard.*