



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1) LEGAL FRAMEWORK:

The Board of Directors (the “Board”) of Olectra Greentech Limited (the “Company”) (Formerly, Goldstone Infratech Limited) has adopted the policy and procedures with regard to determination of “Material Subsidiaries” in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended (the “SEBI Listing Regulations”). The Board / its Committee may review this policy from time to time.

2) OBJECTIVE OF THE POLICY:

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

3) DEFINITIONS:

- (a) “**Board**” means the Board of Directors of Olectra Greentech Limited as constituted from time to time.
- (b) “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act.
- (c) “**Company**” means Olectra Greentech Limited (Formerly, Goldstone Infratech Limited).
- (d) “**Holding Company**” means a holding company as defined in sub-section (46) of section 2 of the Companies Act, 2013



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- (e) **“Listing Regulations”** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI (Listing Regulations).
- (f) **“Subsidiary”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013
- (g) **“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.
- (h) **“Networth”** means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013
- (i) **“Policy”** means this Policy for Determining Material Subsidiaries of the Company, as amended from time to time.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.



4) MATERIAL SUBSIDIARY:

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 is a Material Subsidiary of the company.

5) REQUIREMENTS WITH REGARD TO MATERIAL SUBSIDIARIES:

- At least one Independent Director on the Board of Directors of the listed entity shall be a director on the board of directors of an unlisted material Subsidiary company whether incorporated in India or not.

For the purpose of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the Listing Regulations, the term “Material Subsidiary” shall mean a subsidiary, whose Income or Net Worth is exceeds 20% of the consolidated Income or Net Worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

- The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the Material Subsidiary without passing a special resolution in its general meeting except in cases where such disinvestment 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 with one day of the resolution plan being approved.
- The Company shall not sell, dispose & lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without the prior approval of the shareholders by way of passing special resolution in



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its General Meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by 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 with one day of the resolution plan being approved

- Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

6) REQUIREMENTS WITH REGARD TO SUBSIDIARIES:

- The Audit Committee of the Company shall also review the financial statements, in particular the investments made by the unlisted subsidiary company on a quarterly basis
- The Audit Committee shall quarterly review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- The Minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed at the Board Meeting of the Company on a quarterly basis
- The Management of the Unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company shall be placed before the Board
- The Company shall include particulars of its subsidiary companies in its annual return
- The Company shall place separate audited accounts in respect of each of its subsidiary on its website, if any & shall provide the copy of such audited financial statements to any shareholder of the Company, who asks for it.



7) 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 in line with the Listing Regulations.

8) 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 Agreement or any other relevant legislation / law applicable to the Company.
