

**POLICY ON DETERMINING MATERIAL SUBSIDIARIES**

**OF**

**PATRON EXIM LIMITED**

**(Pursuant to SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015)**

**Contents**

1. Preamble.....

2. Interpretation.....

3. Objective.....

4. Definitions.....

5. Review.....

6. Disclosure.....

7. Amendment.....

## **1. PREAMBLE**

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated this policy for determining material subsidiary of the Company.

## **2. INTERPRETATION**

Any terms used herein shall have the same meaning as defined in the Companies Act, 2013 or Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) or Listing obligations amended from time to time.

## **3. OBJECTIVE**

The purpose of forming the Policy is to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

## **4. DEFINITIONS**

“Act” means Companies Act, 2013 & rules made thereunder.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of the Act and Regulation 18 of the Listing Regulations.

“Subsidiary” means a Company in which PEL controls the composition of the Board of Directors or exercises or controls more than fifty percent of the total share capital of the Company, either directly or through one or more subsidiaries, shall be treated as a Subsidiary of PEL.

“Material Subsidiary”

“Subsidiary” shall be considered as a material subsidiary, if any of the below criteria is satisfied:

1. the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year.

or

2. the subsidiary has generated 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

“Significant transactions or arrangements” 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 Material unlisted Subsidiary for the immediately preceding accounting year.

“Policy” means Policy on the determination of Material Subsidiary.

## **5. REVIEW**

This policy shall be reviewed periodically and may be amended by the Managing Director in consultation with the Audit Committee of the Company, as may be deemed necessary.

## **6. DISCLOSURE**

The Policy for determining material subsidiaries shall be uploaded on the website of the Company and shall be disclosed in such other way as per the requirement of provisions of law in force.

## **7. AMENDMENT**

This policy may be amended by the board at any time subject to the amendments to the Companies Act, 2013 and further guidelines and enactments by the SEBI, including Listing Agreement.

\*\*\*\*\*