



URJA GLOBAL LIMITED

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

The Urja Global Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

2. Policy Objective

To determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. Definitions

a) Holding Company

Holding company in relation to one or more other companies, means a company of which such companies are subsidiaries companies

b) Subsidiary Company

Subsidiary shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

c) Audit Committee

Audit Committee means the committee formed under Section 177 of the Companies Act, 2013.

d) Board of Directors or Board means the Board of Directors of Urja Global Limited, as constituted from time to time.

- e) **Company** means a Company incorporated under the Companies Act, 1956 or under any other act prior to or after the Companies Act, 1956.
- f) **Independent Director** means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI's LODR, 2015 entered into with the stock exchanges.
- g) **Policy** means Policy on Material Subsidiary.
- h) **Material Subsidiary** shall mean a Subsidiary whose income or net worth exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.
- i) **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 material subsidiary for the immediately preceding accounting year.

GUIDING PRINCIPLES

Material non listed Indian subsidiary" of the Company would be identified, if any, as one time exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit Committee and the Board of the Company.

3. Provision with regard to subsidiary companies

- a) One Independent Director of the Company shall be a Director on the Board of the unlisted material subsidiary, incorporated in India.
- b) The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- c) The minutes of the unlisted subsidiary companies shall be placed before the Board of the Company.

- d) The Management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary Company.

4. Disposal of Material Subsidiary

The Company shall not:

- a. dispose off the 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 subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- b. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

7. Policy Review

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications.