

Genus Power Infrastructures Limited

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Policy for determining 'Material Subsidiaries'

(I) INTRODUCTION:

The Policy for determining 'Material Subsidiaries' (the "Policy") of Genus Power Infrastructures Limited (the "Company" or "Genus") is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"). The Board of Directors of the Company (the "Board") has approved and adopted the Policy for determining 'Material Subsidiaries' and to provide the governance framework for such subsidiaries.

(II) DEFINITIONS:

"Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Regulations and the Companies Act, 2013.

"Independent Director" means a non-executive director (other than a managing director or a whole-time director or a nominee director) of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Regulations.

"Material Non-Listed Indian Subsidiary" shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 (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.

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

(III) POLICY:

- A subsidiary shall be considered as Material if –
 - ✚ The income or net worth exceeds 10 (ten) percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.
Explanation- For the purposes of this provision, notwithstanding anything to the contrary contained in this Policy, the term "material subsidiary" shall mean a subsidiary, whose income or net worth

exceeds 20 (twenty) percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- 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.
- A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

(IV) SECRETARIAL AUDIT:

The 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 with effect from the year ended March 31, 2019.

(V) DISPOSAL OF MATERIAL SUBSIDIARY:

The Company, without the prior approval of the members by Special Resolution, shall not:

- (i). dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; OR
- (ii). ceases the exercise of control over the Subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal; OR
- (iii). sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year 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.

(VI) DISCLOSURES:

The Policy for determining material subsidiaries is to be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company

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- (Formulated on September 30, 2014 and Effective from October 1, 2014)
- (Reviewed on March 30, 2019 and Effective from April 01, 2019)