



POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

Nila Infrastructures Ltd.

CIN: L45201GJ1990PLC013417

Registered Office: First Floor,
Sambhaav House; Opp: Chief Justice's Bungalow,
Bodakdev, Ahmedabad - 380015

1. PREAMBLE:

The Board of Directors (the “Board”) of Nila Infrastructures Limited (the “Company”) has adopted the following policy and procedures with regard to determination of material subsidiaries, as defined in this Policy below.

2. OBJECTIVE:

Pursuant to Clause 49 (V) (D), requires every listed entity, whose specified securities are listed on any recognized Stock Exchange(s) shall frame a Policy for determining ‘material’ subsidiary.

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

3. DEFINITIONS

- 3.1 **“Act”** means Companies Act, 2013 and rules made there under;
- 3.2 **“Company”** means “Nila Infrastructures Ltd”;
- 3.3 **“Board of Director” or “Board”** means the Board of Directors of “Nila Infrastructures Limited”, as constituted from time to time;
- 3.4 **“Policy”** means this Policy, as amended from time to time;
- 3.5 **“Audit Committee” or “Committee”** means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of section 177 of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges as amended from time to time;
- 3.6 **“Holding Company”** shall mean a holding company as defined under sub-section (46) of section 2 of the Companies Act, 2013;
- 3.7 **“Subsidiary”** shall mean a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013;
- 3.8 **“Independent Director”** means a director of the Company who satisfies the criteria for Independence under Section 149 of Companies Act, 2013 and Listing Agreement with the Stock Exchanges.
- 3.9 **“Material unlisted Indian subsidiary”** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds twenty percent of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year;
- 3.10 **“Material Subsidiary Company”** shall mean a subsidiary Company whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of listed entity and its subsidiaries in the immediately preceding accounting year;

3.11 “**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 financial year;

4. POLICY FOR MATERIAL SUBSIDIARY:

- 4.1** The minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the Company at regular intervals.
- 4.2** The Board shall be provided with a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.
- 4.3** The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.
- 4.4** One Independent Director of the Company shall be a director on the board of the Material Unlisted Indian Subsidiary.
- 4.5** 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 Subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal.
- 4.6** Selling, disposing and leasing of assets amounting to more than 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.

5. DISCLOSURE:

The Company shall disclose in its Board’s report, details of this policy as required under the Act and Listing Agreement. This Policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Board’s report.

6. AMENDMENTS:

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.
