

ACC LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Introduction

This Policy has been formulated pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (the Regulations).

2. Objective

The policy sets out the criteria for determining a "material subsidiary".

3. Definition

Subsidiary Company shall mean a company defined under Section 2(87) the Companies Act 2013 and Rules framed thereunder.

4. Criteria for determining a material subsidiary

A subsidiary company whether listed or unlisted shall be considered as 'material' if:

- the investment of the Company in the subsidiary exceeds 20% of its consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding previous year as per the audited balance sheet of the previous financial year; or
- the subsidiary has generated 20% of the consolidated income (revenue) of the Company during the previous financial year.

5. Applicability

The Company presently does not have any material listed / unlisted subsidiary. If however, any of the existing unlisted subsidiaries of the Company becomes a material unlisted subsidiary in the future as per the aforesaid criteria or the Company acquires a material unlisted subsidiary at a later date, then the Company shall adhere to the requirements laid down under the Regulations or any amendment thereto or any other applicable laws / regulations with respect to:

- Appointment of at least one Independent Director of the Company on the Board of Directors of such unlisted material subsidiary;
- Review by the Company's Audit Committee of the Financial Statements and in particular the investments made by the said material listed subsidiary;

- Review by the Board of Directors of the Company of all significant transactions or arrangements entered into by the material unlisted subsidiary;
- Follow the restrictions laid down with regard to disposing of shares held in the material listed company or selling disposing or leasing of the assets held by the material unlisted subsidiary.

Approved at the Meeting of the Board of Directors held on 20th October, 2015

Burjor D Nariman
Company Secretary & Head Compliance