

Policy on determining Material Subsidiaries

Version: 3.0

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Document Change History

Version	Author	Date	Comments
V 1.0	P V Varaprasad	30 th October 2014 (w.e.f. 01 st October 2014)	made as per revised Clause 49 of the Listing Agreement
V 2.0	P V Varaprasad	04 th February 2016 (w.e.f. 04 th February, 2016)	realigned in pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
V 3.0	P V Varaprasad	01 st August 2019 (w.e.f. 01 st August, 2019)	Modified in line with the SEBI (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

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

This Policy is applicable to the Company effective October 1, 2014. This Policy is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

2. Objective

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

3. Definitions:

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under regulation 18 of Listing Regulations and The Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of OnMobile Global Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Regulations.

“**Policy**” means Policy on Material Subsidiary.

“Material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**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 material unlisted subsidiary for the immediately preceding accounting year.

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

4. Policy

4.1 A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. net worth of the subsidiary, exceeds 10% of the consolidated net worth of the Company and its subsidiaries as per the audited balance sheet of the immediate previous accounting year; or

- b. the subsidiary has generated more than 10% of the consolidated income of the Company and its subsidiaries in the previous accounting year.

4.2 Disposal of Material Subsidiary

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

- a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. cease the exercise of control over the Subsidiary; or
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary

4.3 One Independent Director of the Company shall be a director on the Board of the Material Subsidiary Company, whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16(1)(c), the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

4.4 The Nomination and compensation Committee shall make suitable recommendations to the Board for appointment of Independent Director in the Material Subsidiary as mentioned in clause 4.3 above.

4.5 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.

4.6 The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a periodical basis.

4.7 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.

5. Disclosures

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at www.onmobile.com.
