EQUITAS HOLDINGS LIMITED

Policy for determining 'Material' Subsidiary

1. **Purpose and Scope:**

   The following shall be the Policy for determining 'Material' Subsidiaries of Equitas Holdings Limited ('Company').

   All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. **Definitions:**

   a. 'Material Subsidiary' shall mean a Subsidiary, whose income or net worth exceeds ten per cent of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

   b. 'Significant transactions or arrangement' shall mean any individual transaction or arrangement that exceeds or likely to exceed ten percent 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.

3. **Governance framework:**

   i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

   ii. The Minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.

   iii. 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.

   iv. One Independent Director of the Company shall be a director on the Board of an unlisted material Subsidiary .

4. **Disposal of Material Subsidiary:**

   Without prior approval of the Shareholders of the Company by means of a special resolution, the Company shall not:

   a. dispose off shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50 per cent except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal under the Companies Act, 2013 or rules made thereunder; or

   b. cease the exercise of control over the subsidiary;

c. sell/dispose/lease assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal under the Companies Act, 2013 or Rules made thereunder.

5. Policy Review:

This policy is framed pursuant to the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Audit Committee would be placed for approval of the Board of Directors. This Policy is dated August 02, 2019.