

S&S POWER SWITCHGEAR LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION:

The Board of Directors of **S & S POWER SWITCH GEAR LIMITED** (the “Company”) has formulated policy and procedures with regard to determination of material subsidiary (ies).

This Policy shall be called **“POLICY FOR DETERMINING MATERIAL SUBSIDIARIES.”**

The policy for determining material subsidiaries has been framed in accordance with the provisions of Regulation 16(1) (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

OBJECTIVES:

This Policy is framed and adopted to determine the “Material Subsidiary(ies) of the Company” and to provide the Governance Framework for such Subsidiary(ies). In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this Policy and the applicable provisions of the LODR Regulations. Where there is a conflict between this Policy and the LODR Regulations, the provisions of the LODR Regulations shall prevail in making such determination.

DEFINITIONS

“COMPANY” means “S & S POWER SWITCH GEAR LIMITED”

“BOARD OF DIRECTORS” OR **“BOARD”** means the Board of Directors of S & S POWER SWITCH GEAR LIMITED, as constituted from time to time.

“INDEPENDENT DIRECTOR” shall mean an Independent Director of the Company who satisfies the criteria of Independence under the Companies Act, 2013 & LODR Regulations, as amended from time to time.

“AUDIT COMMITTEE” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI’s LODR Regulations, 2015 and the Companies Act, 2013.

“**SUBSIDIARY**” shall mean as defined under Section 2 (87) of the Companies Act, 2013 and the Rules made thereunder.

“**UNLISTED SUBSIDIARY**” means subsidiary of the Company whose securities are not listed on any Stock Exchange(s) in India

“**MATERIAL SUBSIDIARY**” shall have the meaning as defined in Regulation 16(1)(c) of the LODR Regulations, pursuant to which a material subsidiary means a subsidiary, whose 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..

“**CONSOLIDATED INCOME OR CONSOLIDATED NETWORTH**” means the total income or net worth of the Company and its subsidiaries.

“**SIGNIFICANT TRANSACTIONS OR ARRANGEMENTS**” 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 subsidiary for the immediately preceding accounting year.

Any other term not defined herein shall have the same meaning as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder from time to time or any other applicable law or regulation.

GOVERNANCE FRAMEWORK

- i. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of the unlisted material subsidiary, whether incorporated in India or not.

- ii. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the subsidiary Company.
- iii. The management should 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.
- iv. The management shall periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company;
- v. The company shall include particulars of its subsidiary companies in its annual return;

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company shall not:

- dispose of the 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 divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- sell, dispose off and lease assets amounting to more than ten percent of the assets of the material subsidiary on an aggregate basis during a financial year without 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.

AMENDMENTS:

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it

may deem necessary. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

DISCLOSURE OF THE POLICY

The Company shall disclose this Policy on its website (www.sspower.com). The necessary disclosure, if any, about the policy will also be made as per the requirements of LODR Regulations and Companies Act 2013.