

## **REPRO INDIA LIMITED**

### **POLCIY ON MATERIAL SUBSIDIARIES**

#### **1. Preamble**

The Board of Directors (the “Board”) of Repro India Limited (the “Company” or “Repro”), has adopted the following policy and procedures with regard to Material Subsidiaries as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Material Subsidiaries based on the applicable laws and regulations applicable on the Company.

#### **2. Purpose**

##### **Subsidiary Companies**

- A. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company.
- B. The Audit Committee of the company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- C. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company. 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.
- D. For the purpose of this clause, a subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.
- F. 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 a Court/Tribunal.
- G. Selling, disposing and leasing of assets amounting to more than twenty percent 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.

**Explanation (i):** For the purpose of sub-clause (V)(A), the term “material non-listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

**Explanation (ii):** For the purpose of sub-clause (V)(C), the term “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. Page 61 of 81

**Explanation (iii):** For the purpose of sub-clause (V), where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.