



AIRAN LIMITED
(L74140GJ1995PLC025519)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES





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PREFACE

The Company is required to formulate a policy for determining 'material' subsidiary in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). The Board of Directors (the "Board") of AIRAN 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.

POLICY OBJECTIVE

To determine the Material Subsidiaries of AIRAN LIMITED and to govern framework for such subsidiaries.

DEFINITION

"Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

"Board" means the Board of Directors as defined in Section 2(10) of the Companies Act, 2013

"Control" shall have the same meaning as assigned to it under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"Company" means AIRAN LIMITED

"Income" means the total revenue of the Company as per the latest audited financial statements.

"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 SEBI (LODR) 2015

"Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

"Policy" means this Policy, as amended from time to time

"Subsidiary" means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013

IDENTIFICATION OF MATERIAL SUBSIDIARY

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

- a. the income of the subsidiary exceeds 10% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year; or
- b. the net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.



REQUIREMENTS WITH RESPECT TO SUBSIDIARY OF LISTED COMPANY:

- a. At least one independent director of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India.
- b. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary (ies).
- c. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- d. It shall be periodically brought to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary(ies). The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is 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.
- e. Company shall not, without the prior approval of the members by special resolution in its General Meeting, 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 Material Subsidiary except where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- f. Company shall not, without the prior approval of the members by special resolution, sell, dispose-off or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the same is made under a scheme of arrangement duly approved by a Court/ Tribunal.

REVIEW TO DETERMINE THE MATERIAL SUBSIDIARY

The Audit Committee shall review on an annual basis the criteria of materiality as per this Policy, applicable to Company’s subsidiaries.

DISCLOSURES

This Policy will be disclosed on the Company’s website and web link thereto shall be provided in the Annual Report of the Company.