



DYNAMATIC TECHNOLOGIES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

**PURSUANT TO REGULATION 16 (1) (C) OF SECURITIES AND EXCHANGE BOARD OF INDIA
(LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015**

INTRODUCTION

In accordance with Regulation 16(1) (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), the Company has formulated this policy for determining material subsidiary of the Company.

PURPOSE & SCOPE

This Policy sets out the criteria for determining material subsidiary / subsidiaries.

DEFINITIONS

"Act" means the Companies Act 2013 as may be amended from time to time.

"Board of Directors" or "Board" means the Board of Directors of Dynamatic Technologies Limited.

"Company" means Dynamatic Technologies Limited.

"Subsidiary" shall mean a subsidiary as defined under section 2(87) of the Companies Act, 2013 and the Rules made there under

"Significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent 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

CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A subsidiary shall be considered as material subsidiary if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

OTHER REQUIREMENTS WITH REGARDS TO SUBSIDIARY OF LISTED ENTITY:

- A. At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted Indian material subsidiary.
- B. The Audit Committee of 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 (irrespective of materiality) shall be placed at the Board meeting of the listed company.
- D. 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.

- E. Where the 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.

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company shall not:

- A. 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.
- B. Sell, dispose off and lease assets amounting to more than twenty 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.

STATUTORY FRAMEWORK

- A. This policy is framed in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- B. Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rules, regulations or standard will take precedence over this Policy and procedures until such time this policy is changed to confirm to the law, rule, regulation or standard.

REVIEW & UPDATION

The Board or any other Committees of the Board as may be authorised shall have the power, subject to applicable laws, to amend any of the provisions of this policy, substitute any of the provisions with a new provisions with a new policy.