

VERSION CONTROL

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V.1	Mr. Mandar Godbole	21/05/2019	22/05/2019	23/05/2019		

POLICY ON MATERIAL SUBSIDIARY

1. Scope and Purpose

Niyogin Fintech Limited (“the Company”) has formulated and adopted the Material Subsidiary Policy (“Policy”) for determining material subsidiary companies in terms of SEBI (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulations”).

The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company.

2. Criteria for determining Material Subsidiary

In terms of the SEBI Regulations, a “material subsidiary” means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth of the listed entity and its subsidiaries in the immediately preceding accounting year.

In terms of this Policy, it shall be the responsibility of the Company to ascertain which of its subsidiary companies shall be deemed to be a Material Subsidiary Company for the purpose of the said regulations and ensure adherence to the relevant provisions stated therein.

3. Compliances:

2.1 For All subsidiaries

- a. The minutes of the meetings of the Board of Directors of unlisted subsidiary company shall be placed before the Board of the Company.
- b. The Audit Committee of the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c. The management of the unlisted subsidiary company shall periodically bring to the attention of the Board of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary company.

Explanation – For the purpose of this regulation, 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 subsidiary for the immediately preceding accounting year.

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2.2 Material unlisted subsidiaries

The Company shall appoint any one of its independent directors as a director on the board of directors of unlisted material subsidiary company, whether incorporated in India or not.

For the purpose of this requirement, an unlisted material subsidiary company shall mean an unlisted subsidiary company, whose 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.

2.3 Material subsidiaries (whether listed or not)

- (a) The Company shall not dispose of shares in its material subsidiary resulting in reduction of 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) The Company shall not sell, dispose or lease the assets of the material subsidiary company amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year except in case where such sale, disposal or lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.
- (c) At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not
- (d) Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

4. Secretarial Audit

The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019.

5. Disclosures

- (a) The Company shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

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- (b) The Company shall upload at least 21 days prior to the date of the annual general meeting which has been called to *inter alia* consider accounts of that financial year, separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year.
- (c) As mandated under the Listing Regulations, the Company shall disclose this Policy on its website i.e. www.niyogin.in and a web link thereto shall be provided in its Annual Report.

6. Policy Review

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or any other Applicable Law or as may be otherwise prescribed by the Board from time to time.
