

TIMES GUARANTY LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

The Board of Directors of Times Guaranty Limited ('the Company') have approved this Policy for determining material subsidiary of the Company in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Purpose of the Policy

The Company has framed a Policy on Material Subsidiary Company to determine its material subsidiary companies.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations

Definitions

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

"Material Subsidiary" Clause 16(1)(c) of the Listing Regulations defines "material subsidiary" as a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

"Board of Directors" means Board of Directors of the Company.

"Audit Committee" means a Committee of the Board of Directors of the Company as constituted under the relevant provisions of the Companies Act, 2013, and Listing Regulations, to function as an Audit Committee.

Determining factors of Materiality

The Company shall refer to the above definition of material subsidiary in determining whether a subsidiary is a material subsidiary of the Company or not.

Frequency of Materiality Test

The materiality test shall be applied every financial year as soon as the audited financial statements of the Company are made available by the Auditor of the Company.

Requirements in relation to the Material Subsidiary Company

Following requirements shall be observed by the Company in relation to a material subsidiary of the Company:

1. 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, incorporated in India.
2. The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. 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 listed entity.

4. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
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 material subsidiary for the immediately preceding accounting year.
5. A listed entity 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 fifty percent 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.
6. 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.

Amendment

The Board of Directors may review or amend this Policy, in whole or part, from time to time.

Note: At present the Company does not have any Subsidiary and the above Policy is made in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.