

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Reg. 24 read with Reg. 16(1)(c) of the SEBI (LODR) Regulations, 2015]

1. Purpose

1.1 The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof, as required under Reg. 24 read with Reg. 16(1)(c) of the LODR (including any amendments thereof).

2. Objective

2.1 The objective of this Policy is to determine -

- i. meaning of 'Material Subsidiary';
- ii. Requirement of Independent Director in certain Material Non Listed Indian Subsidiaries;
- iii. Restriction on disposal of Shares of a Material Subsidiary by the Company;
- iv. Restriction on transfer of Assets of a Material Subsidiary; and
- v. Disclosure requirements, based on

Reg. 24 read with Reg. 16(1)(c) of the SEBI (LODR) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

3. Definitions

"Company"

means 'NAVA BHARAT VENTURES LIMITED'

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

"control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their

shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position;

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

Where a listed holding company has a listed subsidiary which itself is a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

“material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent(20%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. Corporate governance requirements with respect to subsidiaries of the Company.

4.1 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 material subsidiary, incorporated in India.

4.2 The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

4.3 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 Company.

5. Significant Transactions / Arrangements of a Unlisted Material Subsidiary

5.1 The management of the unlisted subsidiary shall periodically bring 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.

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 (10%) 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.

6. Restrictions on Disposal of Shares of a Material Subsidiary

6.1 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 fifty percent (50%) or cease the exercise of control over the subsidiary without passing a Special Resolution in its General Meeting, except in such cases where divestment is under a scheme of arrangement, duly approved by a Court / Tribunal.

7. Restriction on Transfer of Assets of a Material Subsidiary

7.1 Selling, disposing and leasing of Assets, amounting to more than twenty percent (20%) of the Assets of a Material Subsidiary on an aggregate basis during a financial year, shall require prior approval of shareholders of the Company by way of Special Resolution, unless the sale / disposal / lease is made under a scheme of arrangement, duly approved by a Court / Tribunal.

8. Disclosures

As prescribed under Reg. 46(2) of SEBI (LODR) Regulations, 2015, this Policy shall be disclosed in the Company's website and a web link thereto shall be provided in the Annual Report.

9. Review of the Policy

9.1 This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

This Policy was reviewed by the Board of Directors and modified on 30th May 2016 in the light of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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