

POLICY ON MATERIAL SUBSIDIARIES

Gujarat State Investments Limited
(CIN. U64990GJ1988SGC010307)



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[Pursuant to SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015] (“SEBI LODR”)

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1. SCOPE AND PURPOSE OF THE POLICY

The Securities and Exchange Board of India (“SEBI”) vide its Notification dated September 7, 2021, amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Pursuant to this amendment, certain provisions of the Listing Regulations which were hitherto not applicable to debt listed entities were made applicable to “High Value Debt Listed Entities”.

Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires a company to formulate a policy for determining ‘material’ subsidiaries.

In light of the above, Gujarat State Investment Limited (“GSIL”) has framed this Policy on Material Subsidiaries (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

In case of any inconsistency in the Policy and the SEBI Listing Regulations, as may be amended from time to time, the provisions of the SEBI Listing Regulations would prevail.

OBJECTIVE OF THE POLICY

The objective of this Policy is to determine ‘material’ subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. DEFINITIONS:

For the purpose of interpretation of this policy, following terms defined as under

"Act" means the Companies Act, 2013, Rules framed thereunder and any amendments or modifications thereof.

“Audit Committee” means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

“Company” means Gujarat State Investments Limited or GSIL .

‘Material’ subsidiary” means A subsidiary shall be considered as a material subsidiary if, its income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Subsidiary” means a company as defined in Section 2(87) of the Act.

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“**Significant Transaction**” or “**Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% 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.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Securities Contract Regulation Act or any other applicable law or regulation.

CRITERIA FOR DETERMINING MATERIALITY OF SUBSIDIARIES

A subsidiary of GSIL shall be considered 'material' if the income or net worth of the concerned subsidiary exceeds ten percent of the consolidated income or net worth respectively, of GSIL and its subsidiaries, in the immediately preceding accounting year.

Further, GSIL shall NOT 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 and/or Government of Gujarat, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Further, 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, Government of Gujarat, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

DISCLOSURES

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

POWER TO AMEND

Chairman of the Company shall have the power to amend any of the clauses of this Policy in the light of changes in statutory provisions, as may be notified, from time to time.

Date: 15.05.2024

Place: Gandhinagar