

(Approved by the Board of Directors on 14th November, 2016 and further revised on 14th February, 2020)

HPL ELECTRIC & POWER LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARIES
[Pursuant to Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Purpose

The purpose of this policy is determination of Material Subsidiaries and disclosure thereof. As required under Regulation 16(1) (C) and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Independent Director on the Board of a unlisted Material subsidiary

As per Regulation 24 of the SEBI Listing Regulations 2015, At least one Independent Director on the Board of the Company shall be a director on the Board of directors of an unlisted material Subsidiary, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean 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.

Restrictions on disposal of shares in Material subsidiary

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 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, 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.

Restriction on transfer of Assets of a Material Subsidiary

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, 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 Company's Website and a web link thereto shall be provided in the Annual Report of the Company.

Review and Amendment

Any Amendment on the subject of this Policy, shall automatically have the effect of amending this Policy Statement without the need of any further approval of the Board of Directors.
