

DISA India Limited
Material Subsidiaries Policy



DISA India Limited (“**DISA**” or “**Company**”) is governed amongst others by the Securities and Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) as amended lays out regulatory requirements for material subsidiary companies.

The Board of Directors (the “**Board**”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the provisions of Regulation 16(1) (c) of the Listing Regulations.

All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time. The Board will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

Policy and Procedure

(i) As per the Listing Regulations, the Company is required to formulate a policy for determining “material subsidiaries”, and such policy is required to be disclosed on the Company's website and a web link thereto also is required to be provided in the Company's annual report.

(ii) A material subsidiary with respect to this company shall mean a subsidiary, whose income or net worth exceeds (10 %) ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. However, for inducting an Independent Director of the Company in the Board of an unlisted material subsidiary as required by Regulation 24(1), only the subsidiary whose income or net worth exceeds (20%) twenty percent of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year shall be treated as material subsidiary

(iii) Any disposal of shares in a material subsidiary of the Company which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty percent) or as a result of which, the Company will cease to exercise control over the material subsidiary, shall require approval of the shareholders by way of a special resolution in a 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.

(iv) Selling, disposing and leasing of assets amounting to more than 20% (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.

Signed by:

Lokesh Saxena

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Lokesh Saxena
Managing Director & CEO