

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Prelude

The Board of Directors (the "Board") of Signpost India Limited ('SIGNPOST' or the 'Company') has adopted this policy and procedures with regard to determination of material subsidiaries, in line with the requirements of the Regulation 24 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

The Board will review and may amend this policy from time to time, to align it in accordance with provisions of the Companies Act, 2013, Guidelines issued by the Securities and Exchange Board of India (SEBI) and amendments to the SEBI Regulations from time to time.

2. Intent of the Policy

This policy is framed as per requirements of the Regulation 16(1)(c) of the SEBI Regulations.

The Objective of this policy is to determine 'material' subsidiaries of the Company and to provide governance framework for such subsidiaries.

3. Applicability and Legal Framework

This Policy on Material Subsidiaries shall be governed by Regulation 24 of the Listing Regulations or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4. Definitions

- i. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Regulations with the Stock Exchanges.
- ii. "Board of Directors" or the "Board" means the Board of Directors of Signpost India Limited, as constituted from time to time.



iii. "Control" shall have the same meaning as assigned to it under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iv. "Independent Director" means a Director of the Company, not being a Whole Time Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI Regulations.

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

vi. "Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

5. Policy

At least one Independent Director of the Company shall be a Director on the Board of the Unlisted Material Subsidiary, incorporated in India or not.

For the purpose of this clause, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

6. Disposal of Material Subsidiaries

The Company, without passing a Special Resolution in its General Meeting, shall not:

- dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%*; or
- cease the exercise of control over the Material Subsidiary* or
- sell, dispose or lease the assets amounting to more than twenty per cent of the assets of the Material Subsidiary on an aggregate basis during a financial year*#

* except in cases where such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.



except if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

7. Amendments

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may make any amendments to the Policy from time to time, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy.

8. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the SEBI Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

9. Disclosures

This policy shall be hosted on the Company's website at <https://signpostindia.com/>

