

POLICY FOR DETERMINING
MATERIAL SUBSIDIARY

PIX TRANSMISSIONS LTD

1. INTRODUCTION :

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires every listed Company to formulate a policy for determining material subsidiaries.

This Policy seeks to record, more formally, the Company's policy on material subsidiary and to comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as may be amended from time to time.

2. OBJECTIVE :

The objective of this policy is to determine the material subsidiaries of Pix Transmissions Limited in accordance with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') (including amendments thereof).

3. DEFINITIONS :

"Company" means Pix Transmissions Limited.

"Policy" means Policy for determining Material Subsidiary.

"Subsidiary" or "Subsidiaries" means Subsidiary or Subsidiaries of Pix Transmissions Limited in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

"Significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

"Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet, but does not include reserves created out of re-valuation of assets, write-back of depreciation and amalgamation.

All the terms not defined herein shall have the meanings assigned to them as per the provisions of the Companies Act, 2013 or the Rules framed thereunder and the SEBI Listing Regulations.

4. DETERMINATION OF MATERIAL SUBSIDIARY :

A subsidiary shall be considered as material subsidiary, if:-

- a. The net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year;
- or
- b. The income of the subsidiary exceeds 10% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year.

5. COMPLIANCE :

- a. The Audit Committee of the Company shall review the financial statements, in particular the investments made by the unlisted material subsidiary Company.
- b. The Minutes of the Board Meetings of the unlisted material subsidiary Companies shall be placed before the Board of the Company.
- c. The Management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary Company.
- d. At least one independent director on the Board of the Company shall be a director on the Board of unlisted material subsidiary Company.
- e. The Company 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 Material Subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such disinvestment is made under a Scheme of arrangement duly approved by a Court/Tribunal.
- f. 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.
- g. Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report given by a company secretary in practice, in such form as may be specified.

6. REVIEW AND AMENDMENTS :

Any amendment, variation, substitution or modification of any provision of this Policy shall be approved by the Audit Committee. However, any amendment, variation or modification on account of amendment in the Companies Act, 2013 or in the SEBI Listing Regulations shall be binding even if such amendments are not incorporated