



SEAMEC LIMITED

A member of the 



MATERIAL SUBSIDIARY POLICY

OF

SEAMEC LIMITED

APPROVED BY THE BOARD ON 27<sup>TH</sup> MAY 2015



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## 1. INTRODUCTION

In pursuance of requirement of Clause 49 of the Listing Agreement pertaining to Subsidiary Companies, it is required for the part of the Company to formulate a Policy determining “Material Subsidiary”. Accordingly this Policy has been framed and approved by the Board of Directors in the meeting held on 13<sup>th</sup> February, 2015.

## 2. DEFINITIONS

- **Board**” means Board of Directors of the Company
- **“Directors”** means Directors of the Company
- **“Audit Committee or Committee”** means Committee of the Board of Directors of the Company constituted under provisions of Listing Agreement with the Stock Exchanges and Companies Act, 2013.
- **“Company”** means SEAMEC Limited.
- **“Subsidiary Company”** means the Company as defined under Section 2(87) of the Companies Act, 2013.

## 3. OBJECTIVE OF THE POLICY

The Clause relating to the subsidiaries requires the Company to form a Policy on material subsidiaries. A subsidiary shall be considered material if the investment of the Company in the subsidiary exceeds 20% of the consolidated net worth as per the audited balance sheet for the previous year or if the subsidiary has generated 20% of the consolidated income of the Company during previous financial year.

Further selling, disposing and leasing of assets amounting to more than 20% of assets of material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders unless the sale / disposal / lease is made under a scheme or arrangement duly approved by Court / Tribunal.

The no Company sell dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with their subsidiary) to less than 50% or cease the exercise of control over the subsidiary. Without passing special resolution in tis General Meeting except in cases where such disinvestment is made under the Scheme of arrangement duly provided by Court / Tribunal.



## Explanations

- (i) The term “material non-listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- (ii) The term “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 material unlisted subsidiary for the immediately preceding accounting year.
- (iii) Where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

## 4. POLICY AND APPLICABILITY

- Chief Financial officer is responsible for providing notice to the Chief Legal Officer and Company Secretary in respect of potential material subsidiary transactions.
- All material subsidiary transactions will accordingly be reviewed and placed before the Audit Committee and Board for approval as the case may be.
- In the event material subsidiary transaction exceeds their threshold limit, the shareholders resolution as required would be sought.

## 5. DISCLOSURES

The Company is required to disclose this Policy in the Website of the Company and a Web link in the Annual Report of the Company.