



GTL INFRASTRUCTURE LIMITED

Determining Material Subsidiaries - Policy

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES [Pursuant to Clause 49 (V) (D) of the Listing Agreement]

A. Background

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Clause 49 (V) (D) of the Listing Agreement entered into with the stock exchanges.

B. Criteria of determining 'material' subsidiary

A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material non – listed Indian subsidiary of the Company shall mean an unlisted subsidiary company incorporated in India whose income or net worth i.e. to say paid-up share capital and free reserves exceed twenty per cent of the consolidated income or net worth respectively, of the Company during the previous financial year.

C. Compliance

- a) At least one Independent Director of the Company shall be a director on the Board of material non-listed Indian subsidiary company.
- b) The Audit Committee of the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Company's Board meeting.
- d) The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements (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) entered into by the unlisted subsidiary company.



D. Disposal of material subsidiary

a) 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 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.

b) The Company shall not sell, dispose of and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without 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.

E. Policy review

This policy shall be subject to review as may be deemed necessary and in accordance with the Listing Agreement, and / or other regulatory requirements / amendments.