



GOA CARBON LIMITED

CIN L23109GA1967PLC000076

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction:

The Policy for determining 'material' subsidiaries (hereinafter referred as "the/this Policy") has been framed in accordance with the requirements of the Clause 49(V)(D) of the Listing Agreement.

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the Listing Agreement and in absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made or issued thereunder, as amended, from time to time.

2. Determination of Material Subsidiary:

A subsidiary shall be considered as 'material' if –

- the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

Material non-listed Indian Subsidiary shall mean an unlisted subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose:

- net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
- income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

3. Governance Framework:

- i. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
- ii. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary.



- iii. The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed before the Board of the Company.
- iv. 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.

4. Disposal of Material Subsidiary:

The Company shall not:

- a) dispose 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 its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by the Court / Tribunal.
- b) sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholder by way of special resolution except in cases where such sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court / Tribunal.

5. Disclosures:

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company www.goacarbon.com

6. Amendment:

The Board of Directors of the Company may, subject to applicable laws 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.