



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 Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").

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 Regulations and in absence of its definition or explanation therein, as per the Companies Act, 2013 (hereinafter referred to as "the Act") and the Rules, Notifications and Circulars made or issued thereunder, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

2. Definitions:

"Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

"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 Act and the Listing Regulations.

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

"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 unlisted subsidiary for the immediately preceding accounting year.

"Subsidiary" shall mean as defined under the Act and the Rules made thereunder.

"Unlisted Subsidiary" means subsidiary whose securities are not listed on any recognized Stock Exchanges



3. Governance Framework:

- i. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 (1) (c), the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- ii. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- 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 Company.

4. Disposal of Material Subsidiary:

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 fifty percent 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 Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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 or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. Disclosures:

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company www.goacarbon.com and a web link thereto shall be provided in the Board's report.

6. Amendment:

Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.