

INDITRADE CAPITAL LIMITED

(FORMERLY KNOWN AS JRG SECURITIES LIMITED)

Pursuant to Regulation 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

POLICY ON MATERIAL SUBSIDIARIES

1. INTRODUCTION:

Policy on Material Subsidiary is formulated in terms of Regulation 16 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Board of Directors (the “Board”) of Inditrade Capital Limited may review and amend this policy from time to time.

2. OBJECTIVE:

The objective of the Policy is to determine the Material Subsidiaries of Inditrade Capital Limited and to provide the governance framework for such subsidiaries.

3. DEFINITIONS:

- **“Audit Committee” or “Committee”** means “Audit Committee” constituted by the Board of Directors of the Company from time to time, under section 177 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015..
- **“Board of Directors” or “Board”** means the Board of Directors of Inditrade Capital Limited (formerly known as JRG Securities Limited), as constituted from time to time.
- **“Independent Director”** means a director of the Company, not being a Managing Director or a whole time director or a nominee director and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015..
- **“Material Non Listed Indian Subsidiary”** “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.
- **“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

- **“Policy”** means Policy on Material Subsidiary.
- **“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.
- **“Subsidiary Company”** or **“Subsidiary”** shall mean a subsidiary as defined under the Companies Act, 2013 and the rules made thereunder.

4. POLICY:

1. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - a. A company, in which the consolidated net worth as investment of the Company exceeds 20% of its financial year; or per the audited balance sheet of the previous
 - b. Which has generated 20% of the consolidated income of the Company during the previous financial year.
2. One Independent Director of the Company shall be a director on the Board of the Material Non- Listed Indian Subsidiary Company.
3. The Minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall periodically be placed before the Board of the Company.
4. The Audit Committee of the Board shall review the financial statements in particular the investments made by the unlisted Subsidiary on an annual basis.
5. 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.
6. The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-listed Indian Subsidiary.

5. DISPOSAL OF MATERIAL SUBSIDIARY:

The Company without the prior approval of the members by Special Resolution:

- (a) 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 except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- (b) Shall not sell, dispose and lease of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/ disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

6. DISCLOSURE:

The Policy for determining material subsidiaries is to be disclosed in the Company's website and a web link thereto shall be provided in the Annual Report.
