

STANDARD INDUSTRIES LTD.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors of Standard Industries Limited (the “Company”), has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. PURPOSE

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

The Policy is framed in accordance with the requirements of the Clause 49 of the Listing Agreement (including any amendments thereof).

3. DEFINITIONS

- a. “Board” means the Board of Directors of Standard Industries Limited.
- b. “Company” means Standard Industries Limited.
- c. “Policy” means this Policy, as amended from time to time.

4. POLICY

A subsidiary shall be considered as Material if-

- the investment of the Company in the subsidiary exceeds 20% of Company’s 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 a 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.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment / sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

5. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

