

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(pursuant to Clause 49(V)(D) of the Listing Agreement)

1. INTRODUCTION

The Board of Directors (the "Board") of Windsor Machines Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries, as defined in this Policy below.

This policy shall be applicable to the Company with effect from 1st October, 2014

2. OBJECTIVE

This policy deals with determination of Material Subsidiaries of Windsor Machines Limited in terms of revised clause 49 of listing agreement (as amended from time to time) entered into by the Company with Stock Exchanges which states that the Company shall formulate a policy for determination of the Material Subsidiary and the policy is intended to ensure the governance framework of material subsidiary companies.

3. DEFINITIONS

3.1 "**Act**" means Companies Act, 2013 & rules made there under.

3.2 "**Audit Committee**" or "**Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of section 177 of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges.

3.3 "**Board of Director**" or "**Board**" means the Board of Directors of Windsor Machines Limited, as constituted from time to time.

3.4 "**Company**" means Windsor Machines Limited.

3.5 "**Holding Company**" in relation to one or more other companies means a company of which such companies are subsidiary companies.

3.6 **“Independent Director”** means a Director of the Company who satisfies the criteria for independence under Section 149 of Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

3.7 **“Material non-listed Indian subsidiary”** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital & free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company & its subsidiaries in the immediately preceding accounting year.

3.8 **“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 if the subsidiary has generated 20% of the consolidated income of the company during the previous financial year.

3.9 **“Subsidiary Company”** shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules related thereto.

3.10 **“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 financial year.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A subsidiary shall be considered as a Material Subsidiary, if any of the following conditions are satisfied:

- I. If the investment of Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited Balance Sheet of the previous financial year; or
- II. If the Subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

5. PROVISION WITH REGARD TO SUBSIDIARY COMPANIES

- 5.1 One Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of material non-listed Indian Subsidiary Company.
- 5.2 The Audit Committee of the company shall review the financial statements, in particular the investments made by the unlisted subsidiary company.
- 5.3 The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed company.
- 5.4 The management shall periodically bring to the attention of the Board of Directors of the company, a statement of all Significant transactions & arrangements entered into by the unlisted subsidiary company;

6. DISPOSAL OF MATERIAL SUBSIDIARY

- 6.1 The Company shall not, without prior approval by way of passing a special resolution in its General Meeting:
 - a.) 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; or
 - b.) Sell, dispose and lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year
- 6.2 The provision of clause 6.1 shall not be applicable in cases where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court/Tribunal.



7. DISCLOSURE

7.1 This Policy shall be disclosed on the Company's website at www.windsormachines.com

7.2 Web link thereto shall be provided in the Annual Report of the Company.

8. AMENDMENT AND UPDATES

8.1 The Board shall have the power, subject to applicable laws, to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any statutory changes necessitating immediate amendment in the policy provided that such changes shall be forthwith circulated to the Board Members and the amendments so made be placed at the Board Meeting immediately after the date of making of such amendment. .

8.2 The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
