



**POLICY FOR
DETERMINATION OF
MATERIALITY OF
SUBSIDIARIES.**

**WINDSOR
MACHINES
LIMITED**

[CIN: L99999GJ1963PLC168458]

REGISTERED OFFICE:

Floor No. 3 & 4, Corporate House
No. 6, Block B, Magnet Corporate
Park, Off. S G Highway, Thaltej,
Ahmedabad, Gujarat, PIN: 380054

Windsor Machines Limited being a listed entity has to comply with the regulations of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ("LODR Regulations"), and the guidelines issued by the Securities and Exchange Board of India (SEBI) from time to time in this regard.

Regulation 16(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") mandates a listed entity to formulate a policy for determining "material" subsidiary and this Policy is formulated to fulfill the said requirement.

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

2. OBJECTIVE

The objective of the Policy is to determine:

- a. Meaning of Material Subsidiary
- b. Requirement of Independent Director in certain unlisted material subsidiaries, incorporated in India or not
- c. Restriction on disposal of shares of Material Subsidiary by the Company
- d. Restriction on transfer of assets of Material Subsidiary and disclosure requirements, under the LODR Regulations as amended, and
- e. Any other laws and regulations as may be applicable to the Company

The Policy is framed in accordance with the requirements of the LODR Regulations, 2015 (including any amendments thereof).

3. DEFINITIONS

"Audit Committee or Committee" means **"Audit Committee"** constituted by the Board of Directors of the Company, from time to time, under provisions of the SEBI (LODR) Regulations, 2015

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

"Company" means Windsor Machines Limited.

"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 Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

"Policy" means this Policy, as amended from time to time.

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

"Material Subsidiary" - A subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds 10% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 10% of the consolidated income of the company during the previous financial year.

“Material Non Listed Indian Subsidiary” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

“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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

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

- (a) If the investment of Company in the subsidiary exceeds 10% of its consolidated net worth as per the audited Balance Sheet of the previous financial year; or
- (b) If the Subsidiary has generated 10% of the consolidated income of the Company during the previous financial year.

5. PROVISION WITH REGARD TO SUBSIDIARY COMPANIES

- (a) 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. 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.
- (b) The Audit Committee of the company shall review the financial statements, in particular the investments made by the unlisted subsidiary company.
- (c) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed company.
- (d) 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 50% 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.
- (e) 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.

- (f) 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.

6. REPORTING AND DISCLOSURE

As prescribed by revised Clause 46(2)(h) of the LODR Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy shall be the responsibility of the Company Secretary and Chief Legal Officer (Corporate & Compliance) of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

8. AMENDMENTS/ REVIEW OF THE POLICY

Any subsequent amendment/ modification in the LODR Regulations, Act and/ or applicable laws in this regard shall automatically apply to this Policy. Any amendment to this Policy as per change in regulatory requirement, if any, from time to time, shall be approved by MD & CEO of Windsor Machines Limited. The Policy will be reviewed on need basis. any amendment/ modification to this Policy, other than mentioned above, shall be referred to the Board of the Directors for approval.
