



**Orient Green
Power Company
Limited**

POLICY ON MATERIAL UNLISTED SUBSIDIARY COMPANY



1. Introduction

The Board of Directors (the “Board”) of Orient Green Power Company Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective 1 October 2014. This Policy is in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India.

2. Policy Objective

To determine the Material Subsidiaries of Orient Green Power Company 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 provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

“**Board of Directors**” or “**Board**” means the Board of Directors of Orient Green Power Company Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.



“**Policy**” means Policy on Material Subsidiary.

“**Material Subsidiary**” means a subsidiary of the Company, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company 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 material unlisted subsidiary for the immediately preceding accounting year”.

“**Subsidiary**” shall be 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. In which the Investment of the Company/Proposed Investment, exceeds 20% of its consolidated income or net worth as per the audited balance sheet of the previous financial year; or
 - b. Which have generated twenty per cent of the consolidated income of the Company during the previous financial year.
2. At least One **Independent Director** of the Company shall be a director on the Board of an **unlisted material subsidiary, whether incorporated in India or not whose income or networth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.**
3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on a quarterly basis.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a Quarterly basis.



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5. The management of the Company, shall on a Quarterly basis, 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.
 6. The management of the Company 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.
 7. **A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of 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 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.**
 8. **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.**
 9. **Where the Company has a listed subsidiary, which is itself a holding company, the provisions of this policy shall also apply to the listed subsidiary in so far as its subsidiaries are concerned**

5. Secretarial Audit

The material unlisted subsidiaries incorporated in India shall undertake a secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice



6. Disclosures

The Policy for determining material subsidiaries is to be disclosed to the Stock Exchanges and in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company at www.orientgreenpower.com.

Policy Framed: November 13, 2014

Amended: April 29, 2019