



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES OF CONTROL PRINT LIMITED

PREAMBLE:

Control Print Limited (CPL) is committed to managing the affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

PHILOSOPHY:

- To review the transactions involving Material Subsidiaries and also Material Non- listed Subsidiaries of the Company in the best interest of the Company and its stakeholders.
- To ensure better transparency in the dealings and provide governance framework for such subsidiaries.

REGULATION:

- Section 188 of Companies Act read with Rule 15 Companies (Meeting of Board and its Powers) Rules, 2014
- Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

COVERAGE:

- **Material Subsidiaries** includes a Company 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
 - the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.
- **Material Non- listed Subsidiaries** includes a subsidiary
 - 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 Company and its subsidiaries in the immediately preceding accounting year.

GOVERNANCE NORMS:

- At least one Independent Director of the Company shall be a Director on the Board of Directors of a material non-listed Indian subsidiary company.
- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by its subsidiary company.
- The Minutes of the Board meetings of its subsidiary company shall be placed at the Board meeting of the Company.

- The management shall atleast once in a year provide the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by its subsidiary company. Significant transaction 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.
- The Audit Committee may provide that a particular transaction be undertaken post prior approval of the Board of Directors of the Company and / or that of the shareholders of the Company procured via Postal Ballot or at a general meeting.
- The Audit Committee shall put in place mechanism to implement this policy and is also authorized to delegate any / all of its powers and duties herein to any Director(s) and / or officers of the Company.

AMENDMENTS:

- The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the policy entirely with a new policy, based on the recommendations of the Audit Committee.
- The Board may also establish further rules and procedures, from time to time, to give effect to this policy and to ensure governance of material subsidiary companies.

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 shall prevail over this Policy.

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company, without the prior approval of the members by special resolution or a resolution with majority shall not:

- Dispose shares in the Material Subsidiary that reduces its shareholding either on its own or together with other subsidiaries) to less than 50%; or
- Ceases the exercise of control over the Material Subsidiary; or
- Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;
Except in cases of a scheme of arrangement duly approved by the Court / Tribunal.

DISCLOSURE OF THE POLICY:

This policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.
