

DCM LIMITED
MATERIAL SUBSIDIARY POLICY

1. Preface

In terms of the revised clause 49 of the Listing Agreement, the Company is required to formulate a Policy for determining its 'Material Subsidiaries' and their Governance guidelines thereof.

2. Definition

A. "Audit Committee" or "Committee" means Audit Committee of Board of Directors of the Company constituted under the provisions of Listing Agreement and Companies Act, 2013.

B. "Company" means DCM LIMITED

C. "Subsidiary" shall mean Subsidiary Company as defined under the Companies Act, 2013 and rules made thereunder.

D. "Material Subsidiary" means a Subsidiary which satisfies any of the following conditions:

a. A subsidiary in which the investment of the Company exceeds 20% of its consolidated net worth as per Audited Balance Sheet of the previous financial year

Or

b. Which has generated 20% or more of the consolidated income of the Company during the previous year as per the audited balance sheet.

E. "Material Non-Listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, 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 listed holding company and its subsidiaries in the immediately preceding accounting year.

F. "Independent Director" means a director of the Company, who satisfies the criteria of Independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

G. "Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or 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.

3. Governance

(I) The Company shall follow the below practices in respect of all its 'Material Subsidiaries'

1. 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 a Court/Tribunal
2. 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

(II) The Company shall follow the below practices in respect of all its Material Non-Listed Indian Subsidiaries

1. 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.
2. The management of the Company shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant Transactions or arrangements entered into by Material Unlisted Subsidiary.

(III) The Company shall follow the below practices in respect of all its Unlisted Subsidiaries

1. The Audit Committee of the Company shall annually review the financial statements, in particular the investments made by unlisted Subsidiary Company
2. The minutes of the Board Meetings of Unlisted subsidiary Company shall be placed at the Board Meeting of the Listed Holding Company

3. Disclosures

The Policy shall be disclosed on the Company's website and in the Annual Report of the company.

4. Amendments

The Board of the Company shall review and amend the policy from time to time.