

## **Policy on Material Subsidiary Companies**

### **1. INTRODUCTION**

The Board of Directors of ISMT Limited (“Company”) has adopted this Policy on Material Subsidiary in accordance with the requirement of Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015 (“SEBI Regulations”).

SEBI through SEBI (LODR) (Amendment) Regulations, 2018 has widened the ambit of material subsidiary to mean a subsidiary whose income or net worth exceeds 10% (from the current 20%) of the consolidated income or net worth, respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Accordingly, the Board of the Directors of the Company has amended and adopted this “Policy on Material Subsidiary Companies” (“Policy”) of the Company.

### **2. MATERIALITY THRESHOLD**

Material subsidiary shall mean a subsidiary, whose income exceeds 10% of the consolidated income of the listed entity and its subsidiaries in the immediately preceding accounting year.

### **POLICY HISTORY DETAILS**

<b>POLICY ON MATERIAL SUBSIDIARY</b>			
<b>Sr. No.</b>	<b>Date of Board approval</b>	<b>Particulars</b>	<b>Effective Date</b>
1	February 12, 2015	Approval of Policy in terms of the then applicable Clause 49 of the Listing Agreement	February 12, 2015
2	February 12, 2019	Revision in Policy in terms of amended SEBI Regulations	April 1, 2019
3	June 14, 2019	Revision in criteria of identifying material subsidiary	June 14, 2019