T. Spiritual World Limited
Policy document for determining ‘material’ subsidiaries

Objective:
The purpose of forming a Policy for identifying material subsidiaries is to segment the material subsidiaries of the Company from other non-material subsidiaries and to comply with Regulation 16 (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Definition:

Material Subsidiary: For the purpose of this Policy, Material Subsidiary shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Significant transaction or arrangement: The term “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 unlisted material subsidiary for the immediately preceding accounting year.

Company: means T. Spiritual World Limited

Rules and Regulations to be followed:

1. The Policy shall be disclosed to Stock Exchanges and on the website of the Company.

2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

3. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India.

4. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

5. The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the meeting of the Board of Directors of the Company.

6. Selling, disposing and leasing of assets amounting to more than 20% 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.

7. A Company 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 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.