

**DUCON INFRATECHNOLOGIES LIMITED
(FORMERLY KNOWN AS DYNACONS TECHNOLOGIES
LIMITED)**

POLICY ON MATERIAL SUBSIDIARY

1) OBJECTIVE:

1.1 The Companies Act, 2013 and Listing Agreement have specified certain compliances for governance, control and disposal of company's Material Subsidiaries.

1.2 The compliances are in terms of specific approvals and reporting. It is therefore necessary for the board to lay down specific policy framework in this regard.

1.3 The objective of this policy is to lay down criteria for determination of Material Subsidiaries, its governance, control and disposal.

2) DEFINITIONS:

For this Policy, following terms shall have the meanings ascribed to them as under:

- a. "**Board**" means the Board of Directors of the Company.
- b. "**Audit Committee**" means the Audit Committee of the Board.
- c. "**Policy**" shall mean this policy or "Policy on Material subsidiary".
- d. "**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 subsidiary for the immediately preceding accounting year.
- e. "**Subsidiary**" shall be as defined under Companies Act, 2013 and Rules made there under.

3) POLICY:

A subsidiary shall be considered as Material Subsidiary, if any of the following conditions are satisfied as laid down in the Listing Agreement or any amendments thereto:

- a) If the investment of the Company in the subsidiary exceeds 10% of its consolidated net worth as per the audited balance sheet of the previous financial year, or
- b) If the subsidiary has generated 10% of the consolidated income of the company during the previous financial year.

4) GOVERNANCE AND CONTROL:

- a) At least one Director of the Company shall be on the Board of the Material non-listed Indian Subsidiary.
- b) Audit Committee of the Company shall review the financial statements, in particular, the investments made by Material Subsidiary on an annual basis.
- c) Board Meetings minutes of Material Subsidiary shall be placed before the Board.
- d) Statement of all Significant Transactions & Arrangements entered into by Material subsidiary shall be placed before the Board on quarterly basis.
- e) Management shall present to the Audit Committee annually, list of such Material subsidiaries together with the details of materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

5) DISPOSAL OF MATERIAL SUBSIDIARY:

The Company shall not without the prior approval of the members by Special Resolution:

- a) Dispose shares in Material Subsidiaries that reduces Company's shareholding to less than 50% (either on its own or together with other subsidiaries) or
- b) Ceases the exercise of control over the Material Subsidiary or

c) Sell, dispose or lease the assets amounting to more than 50% of the assets of the Material subsidiary.

6) REVIEW AND AMENDMENT:

The Board may monitor, review and amend the Policy from time to time as also whenever necessitated due to amendments in the Companies Act, 2013 and Rules thereunder, Listing Agreement or any other Regulations.