

## **Policy on determining Material Subsidiaries**

Version: 2.0

## POLICY ON DETERMINING MATERIAL SUBSIDIARIES

### 1. Introduction

The Board of Directors of OnMobile Global Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries. The Board may review and amend this policy from time to time.

This Policy is applicable to the Company effective October 1, 2014. This Policy is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. Objective

To determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

### 3. Definitions:

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and The Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of OnMobile Global Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

“**Policy**” means Policy on Material Subsidiary.

“**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.

“**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 unlisted subsidiary for the immediately preceding accounting year.

“**Subsidiary**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

### 4. Policy

4.1 A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. net worth of the subsidiary, exceeds 20% of the consolidated net worth of the Company and its subsidiaries as per the audited balance sheet of the immediate previous financial year; or
- b. the subsidiary has generated more than 20% of the consolidated income of the Company and its subsidiaries in the previous financial year.

#### 4.2 Disposal of Material Subsidiary

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

- a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. cease the exercise of control over the Subsidiary; or
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary

4.3 One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

4.4 The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.

4.5 The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a periodical basis.

4.6 The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

4.7 The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

### 5. Disclosures

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at [www.onmobile.com](http://www.onmobile.com).

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