

COMPANY'S POLICY ON DETERMINING MATERIAL SUBSIDIARIES
**(Approved by the Board of Directors of the Company at its meeting held
on 15th November 2021)**

DHYAANI TILE AND MARBLEZ LIMITED

Regd. Office : 420, Times Square Arcade, Opp. Rambaug, Thaltej-
Shilaj Road, Thaltej, Ahmedabad, Gujarat – 380059.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

The Board of Directors (“the Board”) of Dhyaani Tile And Marblez Limited has adopted the following policy and procedures in accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to be as “SEBI (LODR) Regulations”), the Company has formulated this policy for determining ‘material subsidiary’ of the Company.

OBJECTIVES:

The objective of this Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. This Policy is intended to augment and work in conjunction with regulatory provisions and other Company policies.

DEFINITIONS:

“**Act**” means Companies Act, 2013 and rules framed there under as amended from time to time.

“**Board of Directors**” or “**Board**”, in relation to the Company, means the collective body of the Directors of the Company.

“**Company**” means Dhyaani Tile And Marblez Limited;

“**Holding Company**” means Holding Company as defined under Section 2(46) of the Companies Act, 2013;

“**Policy**” means this policy on Material Subsidiaries and as may be amended from time to time.

“**Subsidiary / Subsidiary Company**” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder. Where a listed holding Company has a listed subsidiary which is itself a holding Company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

The words and expressions used in this Policy unless defined thereunder, shall have the same meaning ascribed to it, as defined under Companies Act, 2013 or the rules framed thereunder, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956, SEBI (ICDR) Regulations, 2018 or any other statutory modifications or re-enactment thereof, as the case maybe.

POLICY:

A subsidiary shall be considered as Material if its –

- Net worth exceeds 10% of the consolidated net worth of the listed company and its subsidiaries as per the audited balance sheet of the immediately preceding accounting year;
Or
- Income exceeds 10% of the consolidated income of the listed company and its subsidiaries as per the audited balance sheet of the immediately preceding accounting year.

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A list of such material subsidiaries and material non listed Indian subsidiaries shall be presented to the Audit Committee annually for its noting.

PROVISIONS WITH REGARD TO SUBSIDIARY COMPANIES:

- 1) The audit committee of the Company shall also review the financial statements, in particular the investments made by the unlisted subsidiary company;
- 2) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company;
- 3) 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) At least one Independent Director on the Board of the Company shall be a director on the Board of Directors of material non-listed Indian Subsidiary Company.

AMENDMENT TO THE POLICY:

The Board may, subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effects to this Policy and to ensure governance of material subsidiary companies.

DISPOSAL OF SHARES OR ASSETS OF MATERIAL SUBSIDIARY COMPANY:

The Company shall not dispose of shares in the material subsidiary company 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 general meeting except in case where such disinvestment is made under a scheme of arrangement duly approved by the Court/tribunal.

Further, sell, disposal and leave of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require an approval of the shareholders by way of passing special resolution, unless the sale/disposal/leave is made under a scheme of arrangement duly approved by the Court / tribunal.

SCOPE AND LIMITATION:

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the SEBI (LODR) Regulations or any other applicable laws which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the SEBI (LODR) Regulations or such applicable laws, the provisions of the Companies Act, 2013 or the SEBI (LODR) Regulations or such applicable laws would prevail over the Policy and provisions in the Policy would be modified in due course to make it consistent with such changes.