

WALL STREET FINANCE LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARES
VERSION -3

Policy for determining Material Subsidiaries

Introduction

This policy was originally formulated pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) and revised in accordance with the provisions of Regulation 16 and 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof) ("Listing Regulations").

Policy Objective

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

Definitions

- (1) "Audit Committee or Committee" means Audit Committee of the Board of Directors of the Company constituted under provisions of the Listing Regulations and the Companies Act, 2013 and rules framed thereunder.
- (2) "Company" means Wall Street Finance Limited, incorporated under the Companies Act, 1956.
- (3) "Board of Directors" or "Board" means the Board of Directors of the Company as constituted from time to time.
- (4) "Policy" means policy for determining material subsidiaries as amended from time to time.
- (5) "Independent Director" means a director of the Company, who satisfies criteria for independence under the Companies Act, 2013 and the Listing Regulations.
- (6) Listing Regulations means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (7) "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.
- (8) "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 subsidiary for the immediately preceding accounting year.
- (9) "Subsidiary" shall be as defined under the Companies Act, 2013 and the rules made thereunder.

Any term not defined herein, shall have the same meaning ascribed to it, as defined under the Companies Act, 2013 or the rules framed thereunder, the Listing Regulations, Rules and Regulations framed by the Securities Exchange Board of India or any other relevant Legislation / Regulation as applicable to the Company from time to time (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof).

Policy

- (1) 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, whether incorporated in India or not.

(the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.)

- (2) 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.
- (3) The Audit Committee of the Company should review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- (4) The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- (5) The 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.
- (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) Where the Company has a listed subsidiary, which is itself a holding Company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- (8) Material unlisted subsidiary Companies incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended 31st March, 2019.

Review

The Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the applicable provisions of the Listing Regulations and amendment(s) thereto notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. In case any provision(s) of this policy is contrary or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations (“Statutory Provisions”), the Statutory Provisions shall prevail.

Amendments

Further, amendments in the Statutory Provisions shall be binding even if not incorporated in this Policy.

The Board of Directors of the Company may review and amend this Policy from time to time.

Disclosures

The Policy for determining material subsidiaries shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.