

SKY GOLD LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

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INTRODUCTION AND PURPOSE

The policy for determining 'Material' Subsidiary Companies ("this Policy") has been adopted by the Board of Directors of Sky Gold Limited ("the Company") pursuant to Regulations 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

DEFINITIONS

"Act" means the Companies Act, 2013 and rules made thereunder including any statutory modifications, amendments, clarifications or re-enactments thereof.

"Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

"Consolidated Income or Net worth" means the total income or net worth of the Company and its subsidiaries.

"Control" shall have the same meaning as assigned to the term in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"Holding Company" means Holding Company as defined under Section 2(46) of the Act.

"Independent Director" means a director of the Company as referred in Section 149(6) of the Act read with regulation 16(1)(b) of the Listing Regulations including any amendments, modifications, clarifications or re-enactments made thereof from time to time.

"Subsidiary" shall be as defined under section 2 (87) of the Companies Act, 2013 and the Rules made thereunder.

"Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Unlisted Subsidiary" means a Subsidiary whose equity shares are not listed on any recognized Stock Exchange.

"Material Unlisted Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

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

“Significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

GOVERNANCE FRAMEWORK

1. At least one independent director on the board of directors of the the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.
2. The audit committee of the the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. 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 the Company at regular intervals.
4. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
5. A 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 or equal to fifty percent 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, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to therecognized stock exchanges within one day of the resolution plan being approved.
6. Selling, disposing and leasing of assets amounting to more than twenty percent 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, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
7. Every material unlisted subsidiaries incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

DISCLOSURES

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

AMENDMENT AND REVIEW

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.