

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION:

The Securities market regulator- Securities and Exchange Board of India (SEBI) has put in place Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as “**Listing Regulations**”), under which Regulation 16 (1)(c) requires the listed entity to formulate a policy for determining Material Subsidiary.

In compliance with the aforesaid provision of Listing Regulations, “**Nouveau Global Venture Limited**” (the, “**Company**”), has formulated and adopted the Policy on Material Subsidiaries.

The Policy has been amended and approved by the board of directors of the Company (“**Board**”) pursuant to the resolution of the board of directors dated 29/03/2019 in line with SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

This Policy shall take effect from 1st April, 2019.

OBJECTIVE:

The objective of this Policy is to determine –

- Material Subsidiary;
- Reporting and governance requirement for subsidiary companies;
- requirement of Independent Director in certain unlisted Material Subsidiary;
- restriction on disposal of shares in Material Subsidiary by the Company;
- restriction on selling, disposing and leasing of assets of Material Subsidiary by the Company; and/or
- other disclosure requirements, as required under SEBI Listing Regulations (as defined herein) and other applicable laws to the Company.

DEFINITION:

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

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

“**Audit Committee or 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.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Independent Director**” shall mean an Independent Director of the Company appointed as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

“**Holding company**”, means a holding company as defined in sub-section (46) of section 2 of the Companies Act, 2013

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

“**Material Unlisted Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“**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.

“**Subsidiary**” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

All other words and expressions used but not defined in this Policy shall have the same meaning as assigned to them in Companies Act, 2013 or Listing Regulations or the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

POLICY AND PROCEDURE:

- I. A Subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - a. the net worth of the subsidiary, exceeds 10 per cent of the consolidated net worth of Company and its subsidiaries in the immediately preceding accounting year; or
 - b. if the income of the subsidiary exceeds 10 per cent of the consolidated income of Company and its Subsidiaries in the immediately preceding accounting year.
- II. At least One **Independent Director** of the Company shall be a director on the Board of unlisted material subsidiary, whether incorporated in India or not.

For the purpose of this clause, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- III. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by Material Unlisted Subsidiary Company.
- IV. The minutes of the meetings of the board of directors of unlisted subsidiary shall be placed before the Board of the Company periodically.

- V. The management of the unlisted subsidiary 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.

DISPOSAL OF MATERIAL SUBSIDIARY:

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

- I. dispose of shares in any Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% or which would result in the cessation of the exercise of control by the Company over the Subsidiary, 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 the recognized stock exchanges within one day of the resolution plan being approved ; or
- II. sell, dispose or lease the assets amounting to more than 20% percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, 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.

In case the Company has listed subsidiary, which is itself a holding company, the provisions of all clauses of Policy and procedure mentioned above and both clauses stated above shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

SECRETARIAL AUDIT OF COMPANY AND MATERIAL UNLISTED SUBSIDIARY/ (IES):

The Company and its **material unlisted subsidiary(ies)** incorporated in India shall undertake secretarial audit and shall annex with the Company's annual report, a secretarial audit report, given by a Company Secretary in practice, in such form as may be specified.

REVIEW AND DISCLOSURES:

The Audit Committee of the Company shall on annual basis or as may be considered necessary, review such information/details as may be required to determine the Material Subsidiary (ies).

This Policy shall be disclosed on the Company's website i.e. www.nouveauglobal.com.

LIMITATION, AMENDMENTS AND MODIFICATIONS:

In the event of any conflict between the provisions of this Policy and of the Act or SEBI (LODR) Regulations, 2015 or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy.

The Board of Directors shall have the right to modify, amend or change any or all clauses of this policy to the extent required under the applicable laws/ Acts /Regulations or otherwise.

Any subsequent amendment / modification in the SEBI (LODR) Regulations, 2015, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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