

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

Background

In terms of clause 49(V)(D) of the Listing Agreement with the stock exchanges where the securities of the Company are listed, the Company is required to formulate a policy for determining 'material' subsidiaries and such policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.

Further, clause 49(V)(E) of the Listing Agreement with the stock exchanges where the securities of the Company are listed, itself defines the test for determining a 'material' subsidiary stating that:

“49(V)(E) For the purpose of this clause, (i.e., the above referred clause 49(V)(D)), a subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds 20% (twenty per cent) of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% (twenty per cent) of the consolidated income of the company during the previous financial year.”

Policy Statement

Accordingly, in order to adhere to the specific requirement to formulate a policy, the Board of Directors of the Company, in its Meeting held on 28th January, 2015, has expressly adopted the above stated definition of a 'material' subsidiary as a Policy Statement for determining 'Material' Subsidiaries of the Company viz. Havells India Limited.

Review and Amendment

Any notification/ circular or other statutory guideline(s)/ regulation(s) on the subject, that has the effect of amending the above said clause(s) of the Listing Agreement, shall automatically have the effect of amending this Policy Statement without the need of any further approval by the Board of Directors.