



DIANA TEA CO LTD

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

AARES GROUP

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Website : www.dianatea.in CIN : L15495WB1911PLC002275, GST : 19AABCD1021G1Z8



1. Preamble

The Board of Directors of Diana Tea Co Ltd ("Company" or "DTCL"), in accordance with Regulation 16(1) (c) and Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), along with other relevant provisions, including statutory enactments or amendments, has approved a policy for identifying 'material' subsidiaries.

2. Effective Date

This policy shall be effective from the date of approval from the Board, unless stated otherwise.

3. Definition

- a) **"Holding company"** in relation to one or more other companies, means a company of which such companies are subsidiary companies.
- b) **"Independent Director"** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the SEBI LODR Regulations.
- c) **"Material Subsidiary"** shall mean a subsidiary of the Company, whose turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- d) **"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.
- e) **"Unlisted Subsidiary"** means subsidiary of the Company whose securities are not listed on any recognized stock exchanges.

4. Requirement regarding material subsidiary

The Company, without passing a special resolution in its General Meeting, shall not: -

- a) dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%.

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- b) dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary.
- c) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

Unless the divestment/ 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.

5. Additional requirement regarding unlisted material subsidiary

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.

6. Requirement regarding unlisted subsidiary company

- a) Audit Committee of the Company shall review the financial statements and in particular, the investment made by the unlisted subsidiary company.
- b) 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.
- c) 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.

7. Policy review

This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

8. Disclosure

The Policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.
