

SKIL INFRASTRUCTURE LIMITED

POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES

LEGAL FRAMEWORK

This Policy is framed by the Board of Directors of SKIL Infrastructure Limited (Erstwhile Horizon Infrastructure Limited) (hereinafter referred to as the ‘Company’ or ‘SKIL’) in accordance with the requirement of revised Clause 49 of the Listing Agreement (including any amendments thereof) which became effective from October 1, 2014 and is intended to determine the material subsidiaries of the Company and to provide for the governance framework for such subsidiaries.

DEFINITIONS

1. **“Act”** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. **“Audit Committee”** means the committee formed under Section 177 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).
3. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.
4. **“Holding Company”** shall have the same meaning as assigned to it under the Companies Act, 2013 and the Rules framed thereunder.
5. **“Independent Director”** means a director who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations.
6. **“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.
7. **“Policy”** means this Policy, as may be amended from time to time.
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 material subsidiary for the immediately preceding accounting year.
9. **“Subsidiary Company”** or **“Subsidiary”** shall have the same meaning as assigned to it under the Companies Act, 2013 and the Rules framed thereunder.

POLICY

- i) A subsidiary shall be a material subsidiary, if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous accounting year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous accounting year. It shall be the responsibility of the Company to ascertain which of its subsidiary companies can be deemed to be a material subsidiary in terms of the provisions of Listing Regulation and ensure adherence to the relevant provisions stated therein. A confirmation in this connection shall be obtained by means of a certificate issued by the Statutory Auditors of the Company and placed at the subsequent meeting of the Board of Directors for its noting.
- ii) At least one independent director on the Board of the Company shall be a Director on the Board of an unlisted material subsidiary company, incorporated in India.
- iii) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- iv) The Minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board Meeting of the Company.
- v) The Management of unlisted subsidiary company should 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 company.
- vi) Pursuant to Regulation 30 of the Listing Regulations, the Company is required disclose all material events or information with respect to material subsidiaries.

DISPOSAL OF MATERIAL SUBSIDIARY

- i) The Company shall not dispose of shares in its material subsidiary which would reduce 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.
- ii) The Company shall not sell, dispose & lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without 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.

COMPLIANCE BY STEP DOWN SUBSIDIARIES

Where a Company has a listed subsidiary which is itself a Holding Company, this Policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

DISCLOSURES

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company (www.skilgroup.co.in) and a web link thereto shall be provided in the Annual Report of the Company.

MISCELLANEOUS

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Listing Regulations, the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder and/or any other relevant legislation / law applicable to the Company.

AMENDMENT

Any amendment/modification in the Listing Regulations, the Companies Act, 2013 and/or other applicable laws in this regard shall automatically apply to this Policy.

Further, the Board may amend this Policy as and when it deems fit.

Details of amendment:

Amended on	November 5, 2015 and made effective from December 1, 2015.
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