

SKP SECURITIES LTD.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

PREAMBLE

The Securities and Exchange Board of India ("SEBI") vide its Notification dated September 02, 2015 has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"). In terms of the above Regulations, SKP Securities Limited (the "Company") has made a Policy for determining Material Subsidiary of the Company to provide the governance framework. This Policy has been adopted by the Board of Directors of the Company at its Meeting held on 9th November, 2015 which will be effective from 1st December, 2015.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013.

POLICY STATEMENT

- 1 A subsidiary shall be a material subsidiary if any of the following conditions is satisfied-
 - a. If the investment of the Company exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year.
 - b. If the subsidiary has have generated twenty per cent of the consolidated income of the Company during the previous financial year.
- 2 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Companies.
- 3 The minutes of the Board Meetings of the unlisted subsidiary Companies shall periodically be placed before the Board of the Company.
- 4 The management 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 companies.
- 5 At least One Independent Director of the Company shall be the Director on the Board of the Material Non-Listed Indian Subsidiary Company.



- 6 The management of the Company shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

DISPOSAL OF MATERIAL SUBSIDIARY

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

- a. dispose shares in material subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty per cent or
- b. ceases the exercise of control over the subsidiary or
- c. sell, dispose or lease the assets amounting to more than twenty per cent 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

REVIEW

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements.

DISCLOSURE

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

AMENDMENT

The Board shall have the power to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, to the condition that such alteration shall be consonance with the provision of the Act and Regulations.

