

ACCEL FRONTLINE LIMITED

POLICY ON MATERIAL SUBSIDIARIES

Version: 1.0

Corporate Office:

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REVISION HISTORY

Document Name	Section No.	Revision No.	Details of Revision	Source of Change	Date of Change	Modified by
Policy on Material Subsidiaries	-	1.0	New release	-		

Release Note:

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Board of Directors _____

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (The “Board”) of Accel Frontline Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy has been formed in terms of Regulation 16 (c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Policy Objective

To determine the Material Subsidiaries of Accel Frontline Limited and to provide the governance framework for such subsidiaries.

3. All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI’s LODR, Regulations 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

4. Definitions

“Audit Committee or Committee” means Audit Committee constituted by the Board of Director of the Company, from time to time under provisions of the Companies Act, 2013.

Board of Directors or Board means the Board of Directors of Accel Frontline Limited, as constituted from time to time.

Company means a Company incorporated under the Companies Act, 1956 or under any other act prior to or after Companies Act, 1956.

Independent Director means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI’s LODR, Regulations 2015 entered into with the Stock Exchanges.

Policy means Policy on Material Subsidiary.

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.

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.

Subsidiary shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

5. Policy

- i. A subsidiary shall be a Material Subsidiary, which has generated twenty percent of the consolidated income of the Company during the previous financial year.
- ii. At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.
- iii. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- iv. The minutes of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- v. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

6. Disposal of shares in Material Subsidiary

The Company shall not:

- i. dispose of the 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 divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- ii. sell, dispose off and lease assets amounting to more than twenty percent 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.

7. Policy Review

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications.