

**POLICY
ON
MATERIAL
SUBSIDIARIES**

[Revised Policy approved by Board of Directors at its meeting held on
28th March, 2019 and is effective from 1st April, 2019]

Corporate Identification Number [CIN]: L45200GJ1991PLC015817
Registered Office: Ganesh Corporate House, 100 Feet Hebatpur Thatltej Road,
Near Sola Bridge, Off S. G. Highway, Ahmedabad 380 054

GANESH HOUSING CORPORATION LIMITED

[Corporate Identification Number: L45200GJ1991PLC015817]

Registered Office: Ganesh Corporate House, 100 Feet Hebatpur-Thaltej Road,
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P: +91 79 61608888; F: +91 79 61608899; W: www.ganeshhousing.com; E: ganesh@ganeshhousing.com



POLICY ON MATERIAL SUBSIDIARIES

1. Introduction:

The Board of Directors (the "Board") of Ganesh Housing Corporation Limited (the "Company" or "GHCL") at its meeting held on 30th September, 2014 has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below w.e.f. 1st October, 2014. The said policy was adopted in terms of Clause 49 of the then Listing Agreement(s) executed with the Stock Exchange(s).

The provisions enshrined under the Listing Agreements was replaced by way of Regulations after coming into force of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 1st December, 2015. As the said amendment was in nature of statutory amendments only and the objective as well as contents of code remained almost same, the Code adopted under Listing Agreement was continued as per the requirements of SEBI LODR.

Thereafter, SEBI notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 w.e.f. 1st April, 2019 whereby the definition of material subsidiary has been changed.

Accordingly, the Board of Directors has adopted this revised Code at its meeting held on 28th March, 2019 pursuant to Regulation 243 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

2. Policy Objective:

To determine the Material Subsidiaries of Ganesh Housing Corporation Limited and to provide the governance framework for such subsidiaries.

3. Definitions:

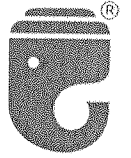
- a) "Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act, 2013 and SEBI LODR.

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- b) **“Board of Director”** or **“Board”** means the Board of Directors of Ganesh Housing Corporation Limited, as constituted from time to time.
- c) **“Company”** means a company incorporated under the Companies Act, 2013 or under any previous company law.
- d) **“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 Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) **“Policy”** means Policy on determining Material Subsidiary.
- f) **“Material Non Listed Indian Subsidiary”** shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.
- g) **“Net Worth”** means net worth as defined in sub-section (57) of Section 2 of Companies Act, 2013 as amended from time to time.
- h) **“SEBI LODR”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- i) **“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;
- j) **“Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made thereunder as amended from time to time;

4. Applicability:

The said Code shall be applicable w.e.f. from **1st April, 2019**;

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5. Policy:

1. A subsidiary shall be a **Material Subsidiary**, if any one of the following conditions are satisfied:
 - a. In which the Investment of the Company/Proposed Investment, exceeds ten per cent i.e. 10% of its consolidated net worth as per the audited balance sheet of the immediately preceding accounting year ; *or*
 - b. Which has generated ten per cent i.e. 10% of the consolidated income of the Company during the immediately preceding accounting year
2. One **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
3. The **Audit Committee** of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted material subsidiary Company, if any, on an annual basis.
4. The minutes of the Board Meetings of the Unlisted Material Subsidiary Companies shall be placed before the Board of the Company at regular interval of time.
5. The management shall at regular interval of time but at least once in an accounting year bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements, if any, entered into by the unlisted subsidiary company.
6. The management 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 including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

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6. Disposal of Material Subsidiary:

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

- a. dispose of shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; *or*
- b. ceases the exercise of control over the Subsidiary; *or*
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of Special Resolution.

Except in cases where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court /Tribunal.

7. Secretarial Audit:

The material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report given by a Company Secretary in Practice in such form as may be prescribed by SEBI or Stock Exchange with effect from the year ended March 31, 2019

8. Amendments of the code:

The provisions of this code can be amended by the Board of Directors of the Company from time to time. Provided that any statutory amendment applicable to the said Code shall form part of the same though it has not been amended by the Board.

9. Disclosures:

This Policy for determining material subsidiaries is to be disclosed on the Website of the Company and reference of the same shall be given in the Annual Report of the Company, as per the provisions of laws in force.

GANESH HOUSING CORPORATION LTD.