

ESSAR SHIPPING LIMITED



Essar Shipping Limited

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Introduction:

In accordance with the Regulation 16(1) (c) SEBI (LODR) (Amendment) Regulations, the company has formulated this policy for determining material subsidiary of the company.

2. Scope & Exclusion:

This Policy sets out the criteria for determining material subsidiary / subsidiaries.

3. Purpose:

The Board of Directors (the “Board”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16 (1) (c) SEBI (LODR) (Amendment) Regulations, 2018.

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Board of Directors will review the policy pursuant to regulation 23 SEBI (LODR) (Amendment) Regulations, 2018 of from time to time, as may be deemed necessary.

4. Policy:

A subsidiary of the Company shall be considered as material if the investment of the Company in the subsidiary exceeds ten percent of its consolidated income or net worth, respectively, of the listed company and its subsidiaries in the immediately preceding accounting year.

5. Limitation and Amendment:

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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