



Goldiam International Ltd

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

Policy on Material Subsidiary

(Effective from October 01, 2014)



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1. OBJECTIVE:

The objective of the Policy is to determine the Material Subsidiaries of Goldiam International Limited and to provide the governance framework for such subsidiaries.

2. DEFINITIONS:

2.1 Audit Committee:

“Audit Committee” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 and the Listing Agreement.

2.2 Board of Directors or Board:

“Board of Directors or Board” means the Board of Directors of Goldiam International Limited, as constituted from time to time.

2.3 Company:

“Company” means a company incorporated under the Companies Act, 2013 or any other previous company law.

2.4 Independent Director:

“Independent Director” means a director of the Company who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the stock exchanges.

2.5 Material Non-Listed Indian Subsidiary:

“Material Non-Listed Indian Subsidiary” means a Material Subsidiary which is incorporated in India and which is not listed on any of the Indian Stock Exchanges.

2.6 Policy:

“Policy” means Policy on Material Subsidiary.

2.7 Significant Transaction or Arrangement:

“Significant Transaction or Arrangement” means 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 material unlisted subsidiary for the immediately preceding accounting year.



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2.8 Subsidiary:

“Subsidiary” means a company as defined in Section 2(87) of the Companies Act, 2013.

2.9 Unlisted Subsidiary Company:

“Unlisted Subsidiary Company” means a company as defined in Section 2(87) of the Companies Act, 2013 and which is not listed on any of the Stock Exchanges.

2.10 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contract Regulation Act or any other applicable law or regulation.

3. POLICY:

3.1 A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a) A company, in which the investment of the Company or the proposed investment, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- b) Which has generated 20% of the consolidated income of the Company during the previous financial year.

3.2 One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

3.3 The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary on quarterly basis.

3.4 The Minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed before the Board of the Company on a quarterly basis.

3.5 The management shall on a quarterly basis 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.

3.6 The Company, without the prior approval of the members by special resolution shall not:

- a) Dispose shares in the Material Subsidiary 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 of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year;

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.



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4. DISCLOSURE:

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

5. MISCELLANEOUS

The Board of Directors of the Company has adopted the Policy and procedure with regard to determining Material Subsidiaries as required under Clause 49 of the Listing Agreement.

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time.