



Policy for Determining Material Subsidiary

1. **Purpose and Scope :**

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018

The Policy will be used to determine the Material subsidiaries of EbixCash World Money India Limited (Erstwhile Weizmann Forex Limited) (**'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 the same meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 and in the absence of its definition or explanation therein, as per The Companies Act, 2013 and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

2. **Identification of Material Subsidiary :**

A Subsidiary shall be considered material if-

"Its income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. **Governance Framework :**

- i. At least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India or not.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term "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.]

- ii. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- iii. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.



- iv. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.- For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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

4. **Disposal of Material Subsidiary :**

- a) The Company shall not dispose of shares in its material subsidiary resulting in reduction of 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 such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- b) Any acquisition or sale of subsidiary would be required to be disclosed to the Stock Exchanges on which the Company is listed, as soon as reasonably possible and in any event not later than twenty four hours.
- c) Sell, dispose off and lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders (**of the holding Company**) by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved

5. **Secretarial Audit.**

Every listed entity and its 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 specified with effect from the year ended March 31, 2019.

6. **Policy Review :**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.
