



POLICY FOR DETERMINING MATERIAL SUBSIDIARY OF BRITANNIA INDUSTRIES LIMITED

1. Introduction:

Britannia Industries Limited (“**BIL**” or “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”) lays out regulatory requirements for ‘Policy for Determining Material Subsidiary’.

The Board of Directors (the “**Board**”) of the Company has adopted the policy for Determining Material Subsidiary Companies (“**Policy**”) in accordance with the provisions of Regulation 16 (1) (C) of the SEBI Listing Regulations at their meeting held on 17th July 2020.

This Policy will be used to Determine the Material Subsidiary of the Company and to provide the governance framework for such Subsidiary.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI 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 Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

2. Objective:

The objective of this Policy is to set forth the criteria towards ascertaining Material Subsidiary of the Company and to provide a governance framework for such Material Subsidiary.

4. Determination of Material Subsidiary:

A Subsidiary of the Company shall be considered as a ‘Material Subsidiary’, if the income or net worth of the Subsidiary exceeds 10 % of consolidated income or net worth respectively of the Company and its Subsidiary as per the audited financial statements of the immediately preceding accounting year.

The Company shall, on formation of a Subsidiary and for all Subsidiaries of the Company, at the end of every year, determine whether the Subsidiary falls under the criteria for Material Subsidiary as defined above or as may be defined in the SEBI Listing Regulations.

In case the Subsidiary falls under such criteria, the same is to be reported to the Board.

5. Governance Framework:

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
2. The Minutes of the Board meetings of the unlisted subsidiary Company shall be placed at the Board meeting of the Company at regular intervals.
3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.

“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. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 (1) (c), 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.

5. The Company shall not dispose of 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 such divestment is made under a scheme of arrangement duly approved by 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.

6. Selling, disposing and leasing of 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 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.

6. Disclosures:

This Policy shall be disclosed on the website of the Company www.britannia.co.in and a web link thereto shall be provided in the Annual Report of the Company.

7. Amendments:

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure the objective of good corporate governance.

8. Scope and Limitations:

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