



Twamev Construction and Infrastructure Limited

(Formerly known as Tantia Constructions Limited)

Registered Office

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(As revised and approved by the Board of Directors)

1. PURPOSE AND SCOPE

This policy for determining material subsidiary of Twamev Construction and Infrastructure Limited (“**Company**”) has been framed in accordance with the provisions of regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as “**Listing Regulations**”) (“**Policy**”). The purpose of the Policy is to specify the criteria for determination of Material Subsidiaries (*defined below*) of the Company and to prescribe certain governance requirements which need to be adhered to by the Company with respect to management of Material Subsidiaries.

2. DEFINITIONS:

“**Act**” means Companies Act, 2013 and includes the relevant rules made thereunder, as amended from time to time.

“**Audit Committee**” or “**Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of section 177 of the Companies Act, 2013 and Listing Regulations.

“**Board of Director**” or “**Board**” means the board of directors of Company, as constituted from time to time.

“**Independent Director**” shall have the meaning ascribed to such term in section 2(47) of the Act read together with regulation 16(1)(b) of the Listing Regulations.

“**Subsidiary**” shall mean a subsidiary as defined under Section 2(87) of the Act.

“**Significant Transactions or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (Ten Per Cent) 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.

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All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act and the rules, notifications and circulars made/issued thereunder, as amended, from time to time.

3. CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

“**Material Subsidiary**” shall mean, except where otherwise specifically provided, a Subsidiary, whose turnover or net worth exceeds 10% (Ten Per Cent) of the consolidated turnover or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

4. GOVERNANCE FRAMEWORK

- i. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary.
- ii. The minutes of the meetings of board of directors of the unlisted Subsidiary shall be placed before the Board meeting of the Company.
- iii. 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.
- iv. At least 1 (One) Independent Director on the Board of the Company shall be a director on the board of directors of the Material Subsidiary. For the purpose of this governance requirement, ‘material subsidiary’ shall mean a Subsidiary whose turnover or net worth exceeds 20% (Twenty Per Cent) of the consolidated turnover or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
- v. The Company shall disclose all events with respect to its Subsidiaries which are material for the Company.
- vi. The Company and its unlisted Material Subsidiary shall undertake secretarial audit by a secretarial auditor in accordance with the provisions of the Listing Regulations.

5. DISPOSAL OF MATERIAL SUBSIDIARY

- a. 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 or equal to 50% (Fifty Per Cent) or cease the exercise of control over the Subsidiary or 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within 1 (One) day of the resolution plan being approved.

- b. Selling, disposing and leasing of assets amounting to more than 20% (Twenty Per Cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of a 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within 1 (One) day of the resolution plan being approved. Provided, however, that nothing contained herein shall be applicable if such sale, disposal or lease of assets is between two wholly owned Subsidiaries of the Company.

6. POLICY REVIEW

This Policy shall be subject to review, by the Board, as deemed necessary and in accordance with regulatory amendments. In case of any subsequent changes in the provisions of the Listing Regulations which makes any of the provisions in the Policy inconsistent with the Listing Regulations, the provisions of the Listing Regulations shall prevail and the provisions in the Policy shall be modified in due course to make it consistent with law.

7. DISCLOSURE

The Policy shall be disclosed on the website of the Company.