

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PURPOSE OF THE POLICY:

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

OBJECTIVE OF THE POLICY:

The objective of this Policy is to determine (a) meaning of Material Subsidiary (b) requirement of appointing an Independent Director of the Company on the Board of Unlisted Material Subsidiaries (c) Restriction on disposal of shares of Material Subsidiaries by the Company (d) Restriction on Selling, Disposing and Leasing of assets of Material Subsidiary (e) Secretarial Audit of Material unlisted subsidiaries and (f) Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to Goldstone Technologies Limited.

DEFINITIONS

"Board" means the Board of Directors of Goldstone Technologies Limited as constituted from time to time.

"Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

"Company" means Goldstone Technologies Limited.

"Holding Company" means a holding company as defined in sub-section (46) of section 2 of the Companies Act, 2013

"Independent Director" or "ID" implies a director other than a managing director or a whole-time director or a nominee director and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

Material Subsidiary Unless specified otherwise, a 'Material Subsidiary' shall mean a subsidiary, whose income or net worth exceeds 10 percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

GOLDSTONE TECHNOLOGIES LIMITED

Significant transaction or arrangement shall mean 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 unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” shall be as defined under the Companies Act, 2013 and the rules made thereunder.

“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

INDEPENDENT DIRECTOR OF THE COMPANY ON THE BOARD OF UNLISTED MATERIAL SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a director on the board of the Unlisted Material Subsidiary, whether incorporated in India or not.

For the purpose of compliance with the above, the term “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is 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.

GOLDSTONE TECHNOLOGIES LIMITED

RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the 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 and Bankruptcy Code, 2016 ('Insolvency Code') and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

SECRETARIAL AUDIT

Every Material Unlisted Subsidiary of the Company incorporated in India 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.

REVIEW THE LIST OF MATERIAL SUBSIDIARIES

The Management shall present to the Audit Committee annually, the list of the subsidiaries of the Company, together with the details of the materiality defined herein and the Audit Committee shall review the same and make suitable recommendations to the Board.

OTHER COMPLIANCES IN RESPECT OF UNLISTED SUBSIDIARIES WHETHER MATERIAL OR NOT

A. SIGNIFICANT TRANSACTIONS / ARRANGEMENTS

The management should periodically bring to the attention of the Board a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

B. FINANCIAL STATEMENTS

The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Companies of the Company.

C. MINUTES OF UNLISTED SUBSIDIARIES

The minutes of the Meetings of the Board of Directors of the Unlisted Subsidiary Companies of the Company shall be placed at the Meeting of the Board of Directors the Company.

GOLDSTONE TECHNOLOGIES LIMITED

DISCLOSURES

As prescribed by Regulation 46(2)(h) of the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.