



POLICY FOR DETERMINING THE MATERIAL SUBSIDIARY

1. Purpose and Scope:

The provisions of Clause 49(V)(D) of the Listing Agreement requires Every Listed Companies to formulate a policy for determining the material subsidiary companies. Considering this requirement Techtran Polylenses Limited (“TPL” or “the Company”) has framed this policy for determining the material subsidiaries (“Policy”). This Policy has been adopted by the Board of Directors of the Company. The Board can review and amend the Policy, as and when required.

This policy will be used to determine the material subsidiaries of the Company and also to provide the governance framework for the Subsidiary Companies.

2. Identification of Material Subsidiary:

A subsidiary shall be considered as material, if:

- a. the Investment of the Company in the subsidiary exceeds 20 percent of its consolidated net worth during the previous year as per the audited financial.
- b. the income generated by the subsidiary exceeds 20 percent of consolidated income of the Company during the previous year as per the audited financial.

Material non listed Indian subsidiary shall mean a subsidiary incorporated in India and is not listed on the Indian Stock Exchanges and whose:

- a. income exceeds 20% of the consolidated income of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- b. net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated net worth of the listed holding company and its subsidiaries in the immediately preceding accounting year.

3. Governance Framework:

- i. The Audit Committee of the Company shall review the financial statements, in particular the investments made by the unlisted subsidiary Company.
- ii. The minutes of the Board meetings of the unlisted subsidiary company shall be placed before the Board of the Company.
- iii. The management shall periodically 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 company.
- iv. One Independent Director of the Company shall be a director on the Board of the Material Non Listed Indian Subsidiaries.



4. Disposal of Material Subsidiary:

The Company, without the prior approval of the members by Special Resolution, shall not:

a. dispose shares in Material Subsidiaries 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 or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

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