



## **GLOSTER LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

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In accordance with the provisions of Regulation 16-( Definition ), subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. The income of the subsidiary, exceeds 10% of the consolidated income of the Company as per the audited balance sheet of the previous financial year; or
- b. The net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year

Material Unlisted Indian Subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

However, for the purpose of regulation 24 (1), a subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. The income of the subsidiary, exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year; or
- b. The net worth of the subsidiary exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year

For the purpose of regulation 24 (1) at least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.