

STERLING AND WILSON RENEWABLE ENERGY LIMITED

POLICY ON MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors (**the "Board"**) of Sterling and Wilson Renewable Energy Limited (**the "Company"**), has adopted this Policy for determination of "Material Subsidiaries" at its meeting held on July 22, 2019. This Policy is in accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**the "Listing Regulations"**).

The primary objective of this policy is to determine material subsidiaries of Sterling and Wilson Renewable Energy Limited.

2. DEFINITIONS

- a) **"Act"** means Companies Act, 2013 and Rules made thereunder.
- b) **"Audit Committee" or "Committee"** means Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.
- c) **"Board of Directors" or "Board"** means the Board of Directors of Sterling and Wilson Renewable Energy Limited, as constituted from time to time.
- d) **"Company"** means Sterling and Wilson Renewable Energy Limited.
- e) **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- f) **"Independent Director"** means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.
- g) **"Insolvency Code"** means Insolvency Code as defined under Regulation 2(1)(na) of Listing Regulations, as amended from time to time.
- h) **"Management"** means the Senior Management and Key Managerial Personnel of Sterling and Wilson Renewable Energy Limited.

- i) **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- j) **“Policy”** means policy on determination of Material Subsidiary.
- k) **“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.
- l) **“Subsidiary”** means **subsidiary company** as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder.

3. POLICY

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

For the above mentioned clause 4(a), the term Material Subsidiary shall mean subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, notwithstanding anything to the contrary as defined in the Policy.

Other compliances as applicable with respect to such Material Subsidiary(ies) shall be in accordance with the Listing Regulations and other applicable laws, if any, for the time being in force and as may be amended from time to time.

4. DISCLOSURES

This Policy shall be disclosed on the Company's website www.sterlingandwilsonre.com and a web link thereto shall be disclosed in the Annual Report of the Company.

5. AMENDMENTS TO THE POLICY

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

6. EFFECTIVE DATE

The Policy shall be effective from the date of listing of the equity shares of the Company on Stock Exchange(s).
