

IND RENEWABLE ENERGY LTD
CIN: L27310GJ1960PLC000998
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Western express highway Borivali east,
Mumbai city MH400066IN.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

(Approved by the Board of Directors of the Company on 21ST March, 2018)

A. BACKGROUND:

The Securities and Exchange Board of India (“SEBI”) issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'LODR Regulations') on September 02, 2015, effective from December 01, 2015, with an aim to consolidate and streamline the provisions of listing agreements thereby ensuring better enforceability.

Regulation 16(1)(c) of the LODR Regulations, inter alia, requires every listed Company to formulate a Policy for determining material subsidiary. The Company till date does not have any subsidiary. Accordingly, the Board of the Directors of Palco Metals Limited (“Company”) has approved this “Policy for Determining Material Subsidiary” (“Policy”) of the Company .

B. OBJECTIVES:

This Policy is framed and adopted to determine the “Material Subsidiary(ies) of the Company” and to provide the Governance Framework for such Subsidiary(ies).

C. DEFINITIONS

In this Code, unless the context otherwise requires:

“**Audit Committee**” means the committee constituted by the Board of Directors of the Company, from time to time, in accordance with section 177 of the Companies Act 2013 and Regulation 18 of the LODR Regulations.

“**Independent Director**” shall mean an Independent Director of the Company who satisfies the criteria of Independence under the Companies Act, 2013 & LODR Regulations.

“**Material Subsidiary**” shall mean a 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.

“**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 material subsidiary for the immediately preceding accounting year.

“**Subsidiary**” shall mean 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 Exchange(s).

All terms used in the policy, but not defined above shall have the meanings ascribed to them in the Act or the Regulations, as the case may be.

D. GOVERNANCE FRAMEWORK

As the IND Renewable Energy Limited is enjoying the Exemption under regulation 15 of the SEBI LODR Regulations 2015, Regulation 24 of the SEBI LODR Regulation is exempted to the company.

Applying the exemption, PML will not be under compulsion to do the following:

- i. At least one Independent Director of the Company shall be a Director on the Board of the unlisted material subsidiary, incorporated in India.
- ii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- iii. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- iv. 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 or arrangements entered into by the unlisted subsidiary.

However for Better corporate Governance company will follow the basic three requirements as follows:

- i. At least one Independent Director of the Company shall be a Director on the Board of the unlisted material subsidiary, incorporated in India.**
- ii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.**
- iv. 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 or arrangements entered into by the unlisted subsidiary.**

E. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease