

Shriram Transport Finance Company Limited

Policy on Material Subsidiaries

1. Introduction

The Board of Directors (the “Board”) of Shriram Transport Finance Company Limited (the “Company”) have adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. Policy Objective

To determine the Material Subsidiaries of the Company in accordance with the criteria laid down in Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

3. Definitions

“Material Non Listed Indian Subsidiary” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“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 material unlisted subsidiary for the immediately preceding accounting year.

4. Policy

1. A subsidiary shall be a Material Subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
2. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the Material Non Listed Subsidiary Company on an annual basis.
4. The minutes of the Board Meetings of the Material Non Listed Subsidiary Companies shall be periodically placed before the Board of the Company.

5. 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 Material Non Listed Subsidiary Company.

5. Disposal of Material Subsidiary

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

6. Disclosures

The Policy for determining material subsidiaries will be posted on the Company's website and a web link thereto will be provided in the Annual Report.

7. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Audit Committee may 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.