

POLICY ON MATERIAL SUBSIDIARIES

Purpose of this policy:

Deccan Gold Mines Limited (“**DGML**” or “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI has introduced SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR) Regulations, 2015) and the requirement of introducing Policy on Material Subsidiaries in governed under Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015.

The Board of Directors (the “**Board**”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015.

This Policy will be used to determine the Material Subsidiaries and Unlisted Material Subsidiary of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (LODR) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

The Board of Directors will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

Definitions

Independent Director means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the SEBI (LODR) Regulations, 2015.

Material Subsidiary shall mean a Subsidiary, whose income or net worth exceeds ten per cent 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 material unlisted subsidiary for the immediately preceding accounting year.

Subsidiary shall be as defined under the Act and the rules made thereunder.

Policy and procedure

1. The Audit Committee and the Board shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary of the Company.
2. The minutes of the Board meetings of the Unlisted Subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
3. The Board shall be provided with a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.
4. One Independent Director of the Company shall be a director on the Board of the Unlisted Material Subsidiary whether incorporated in India or not.

5. The Company shall not dispose of shares in its Material Subsidiary, which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% or cease the exercise of control over the Subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal.
6. 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.

Disclosures

The Company shall disclose in its Corporate Governance report, details of this Policy as required under the SEBI (LODR) Regulations, 2015. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Corporate Governance report.

Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or SEBI (LODR) Regulations, 2015 or any other statutory enactments, rules, the provisions of such Act or SEBI (LODR) Regulations, 2015 or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI (LODR) Regulations, 2015, Act and/or applicable laws in this regard shall automatically apply to this Policy.