



ERIS LIFESCIENCES LIMITED

POLICY ON DETERMINATION OF MATERIAL SUBSIDIARY

INTRODUCTION

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Eris Lifesciences Limited ('Company') has formulated this 'Determination Of Material Subsidiary policy' ('Policy').

The Board of Directors of the Company has adopted this policy in their meeting held on 6th February, 2017.

OBJECTIVE

The Policy sets out the criteria for determining material subsidiary / subsidiaries of the Company.

DETERMINATION OF MATERIAL SUBSIDIARY

'Subsidiary' shall mean as has been defined in the Companies Act, 2013.

A 'material subsidiary' shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the (listed) Company and its subsidiaries in the immediately preceding accounting year.

PROVISION RELATED TO UNLISTED MATERIAL SUBSIDIARY OF THE COMPANY

The following compliances have to be made by the Company in respect of a Material Subsidiary of the Company

- At least one Independent Director of the Company shall be appointed as Director of the Material Unlisted Subsidiary.
- 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 and arrangements entered into by the unlisted subsidiary.

Explanation.-For the purpose of the term —'significant transaction or arrangement' shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.

- 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 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 a Court/Tribunal.
- The Company shall not sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without the 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.
- The Audit Committee of the company shall also review the financial statements, In particular, the investments made by the Unlisted Subsidiary.
- The minutes of the Board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, Accounting Standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final in interpreting such word/provision. The Audit Committee may seek the help of any of the officers of the Company or an outside expert as it may deem fit.

LIMITATION AND AMENDMENT

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

REVIEW OF POLICY

This policy shall be subject to review and amendment by the Board of Director of the Company as and when deemed necessary and in accordance with any regulatory amendments. Any such changes/ amendments will be communicated to the stakeholders from time to time and accordingly updated on the website.

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