INDIAN TONERS & DEVELOPERS LIMITED

Regd. Office : 10.5 Km Milestone, Rampur Bareilly Road, Rampur – 244 901 (U.P.)
(CIN NO. L74993UP1990PLC015721)
E-Mail ID – info@indiantoners.com, Website : www.indiantoners.com
Phone No. 0595-2356271 Fax No. 0595-2356273

POLICY FOR DETERMINING MATERIAL SUBSIDIARY ("The Policy")

1. Preamble and Applicability:

The policy is framed by the Company pursuant to clause 49 (V)(D) of the Listing Agreement to ensure compliance with the applicable provisions of the Listing Agreement.

The Policy will come into effect from October 1, 2014.

2. Definition:

(i) "Act" means Companies Act, 2013 including any statutory modification or re-enactment thereof.

(ii) "Subsidiary Company" as defined under clause 2(87) of the Act

(iii) "Holding Company" as defined under clause 2(46) of the Act

(iv) "ITDL" means Indian Toners & Developer Limited

(v) The term "material non-listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of ITDL and its subsidiaries in the immediately preceding accounting year.

(vi) The term "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 immediately preceding accounting year.

3. Basis of Determining Material Subsidiary

This Policy lays down the basis of determining Material Subsidiaries of ITDL and related issues as specified in the provisions of Clause 49 of the Equity Listing Agreement with the Stock Exchanges.

A Subsidiary shall be considered as material if the investment of ITDL in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited Balance Sheet of the previous financial year or if the Subsidiary has generated 20% of the consolidated income of ITDL during the previous financial year.

On the basis of the above, ITDL shall determine `material subsidiary'.

4. Implementation and Approval process

a) At least one independent director on the Board of Directors of ITDL, the Holding Company will be appointed as a director on the Board of Directors of a material non-listed Indian subsidiary Company, as and when applicable.

b) As per Clause 49(V)(F) of the Listing Agreement, ITDL will not dispose of shares in its material subsidiary which would reduce ITDL's 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 a Court/ Tribunal).

c) Prior approval of the Shareholders of ITDL by way of a Special Resolution will be obtained for sale, disposal of and leasing of assets amounting to more than 20% of the material subsidiary on an aggregate basis during the financial year (exception being if the sale/ disposal/ lease is made under a Scheme of Arrangement duly approved by a Court/ Tribunal).

d) In the event subsidiary of ITDL becomes a listed subsidiary which itself is a holding company, then this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

e) The management of ITDL should periodically bring to the attention of the Board of Directors of ITDL, a statement of all significant transactions and arrangements entered into by a material unlisted subsidiary company.

****