

## **MATERIAL SUBSIDIARY POLICY**

### **OBJECTIVE**

This Material Subsidiary Policy (“the Policy”) lays down the principles and standards to identify Material Subsidiaries of the Company and related corporate governance in compliance with the provisions of Clause 49 of the Equity Listing Agreement, entered into by the Company with the concerned Stock Exchanges as amended from time to time.

### **APPLICABILITY**

This Policy will be applicable to the Company effective 1 October 2014.

### **IDENTIFICATION OF MATERIAL SUBSIDIARIES**

**“Material Subsidiary”** - a subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth or if the subsidiary has generated 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

1. The Chief Financial Officer of the Company shall undertake to classify the subsidiaries of the Company as ‘material’ based on the net worth and income criteria as prescribed above in the following cases and at the following intervals:

For investment of the Company-

- At the time of incorporating a subsidiary
- At the time of making further investment in an existing subsidiary
- At the time of a company or body corporate becoming a subsidiary - by any mode other than the above

For income of each subsidiary -

- On the last day of each calendar month.

2. The Chief Financial Officer of the Company shall intimate the subsidiaries of the Company within 30 days of its audited accounts of each financial year approved by the Board with regard to the following threshold:
  - 20% of the consolidated income of the Company
3. Each subsidiary of the Company shall intimate the Chief Financial Officer of the Company immediately upon the subsidiary attaining the income as per the limits prescribed as listed at Serial No. 2.

Upon attaining the income as listed at Serial No. 2, the subsidiary shall forthwith intimate the Company in format prescribed at **Annexure A**.
4. The Company Secretary will obtain confirmation from each material subsidiary in the format prescribed at **Annexure B** on an annual basis within 30 days of audited accounts of the financial year approved by the Board that such material subsidiary continues to be material subsidiary based on the income / net worth criteria of the Company.

**Tagging of Material Subsidiary in System:**

1. System will be developed by IT department to identify and tag any Subsidiary as “Material Subsidiary” System will capture the number and value of Shares invested in Material subsidiary along with total numbers and value of Shares of that particular Material Subsidiary.
2. Based on list circulated by secretarial department, Accounts department will tag material subsidiary (ies) in SAP.

**COMPLIANCE**

The Company will disclose the Material Subsidiary Policy on the Company’s website and a web link thereto will be provided in the Annual Report and will ensure compliance with the provisions of the Equity Listing Agreement with regard to its material subsidiaries.

## **INTERPRETATION**

All the definitions used in this policy should be limited to the meaning as derived under or referred to in the applicable Laws and regulations including the Companies Act, 2013 and Equity Listing Agreement.

To

The Board of Directors  
The Chief Financial Officer  
D-Link (India) Limited

I \_\_\_\_\_, \_\_\_\_\_ <name and designation of responsible person of subsidiary company>  
wish to inform you that as on \_\_\_\_\_ <date>, \_\_\_\_\_ <name of subsidiary> has earned an  
income of \_\_\_\_\_ <amount of income> which exceeds the limits of \_\_\_\_\_ <20% of  
consolidated income of D-Link> as intimated to us by your Company, thereby constituting  
\_\_\_\_\_ <name of subsidiary> as a 'material subsidiary' of D-Link (India) Limited as per  
the terms of Clause 49 of the Equity Listing Agreement. Kindly take the same on record.

Signature : .....

Name : .....

Designation : .....

Place : .....

Date : .....

\* \* \*

To

The Board of Directors  
The Company Secretary  
D-Link (India) Limited

I \_\_\_\_\_, \_\_\_\_\_ <name and designation of responsible person of subsidiary company>  
wish to confirm that as on 31 March \_\_\_\_ <year>, \_\_\_\_\_ <name of subsidiary> continues to  
meet with the criteria for constituting it as a 'material subsidiary' of D-Link (India) Limited  
as per the terms of Clause 49 of the Equity Listing Agreement.

Signature : .....

Name : .....

Designation : .....

Place : .....

Date : .....

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