
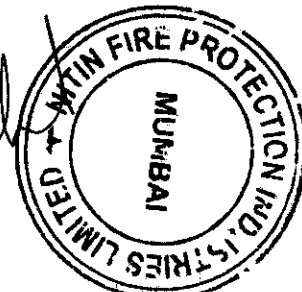


**NITIN FIRE PROTECTION INDUSTRIES LIMITED**  
**(L29193MH1995PLC092323)**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

*[Pursuant to Regulations 16(1)(c) of Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

## SCOPE AND PURPOSE OF THE POLICY

The purpose of this Policy is to determine Material Subsidiaries and disclosure thereof as required by Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI Regulations, 2015).

## OBJECTIVE

The objective of this Policy is to determine:-

- (i) Meaning of 'Material' Subsidiary;
- (ii) Requirement of Independent Director in Unlisted Material Subsidiaries, in India;
- (iii) Restriction on disposal of shares of a Material Subsidiary of the Company;
- (iv) Restriction on sale/disposal/leasing of assets of a Material Subsidiary; and
- (v) Disclosure requirements under SEBI Regulations, 2015 and any other laws or regulations as may be applicable to the Company.

## DEFINITIONS

**Company:** means Nitin Fire Protection Industries Limited.

**Control:** shall include the right to appoint majority of the directors or to control the Management or Policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

**Material Subsidiary:** means a subsidiary whose income or net worth exceeds 20% of consolidated income or net worth, respectively of Nitin Fire Protection Industries Limited and its subsidiaries as per the audited balance sheet of the previous financial year.

**Significant Transaction or arrangement:** means 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 unlisted material subsidiary for the immediately preceding accounting year.

**Subsidiary:** as defined under the Companies Act, 2013 and the Rules made there under.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Regulations, 2015, Securities Contracts (Regulation) Act, 1996 or any other applicable law or regulation.

## INDEPENDENT DIRECTOR ON THE BOARD OF UNLISTED MATERIAL SUBSIDIARY, INCORPORATED IN INDIA

At least one Independent Director on the Board of Nitin Fire Protection Industries Limited shall be a director on the Board of the unlisted material subsidiary of the Company, incorporated in India.

The Company may also appoint Independent Director(s) on the Board of overseas material subsidiary companies, if any, as they may deem necessary.



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**SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES:**

The Management should periodically bring to the attention of the Board of Directors of Nitin Fire Protection Industries Limited, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company of Nitin Fire Protection Industries Limited.

**FINANCIAL STATEMENTS AND INVESTMENTS MADE BY UNLISTED SUBSIDIARY COMPANIES**

The Audit Committee of Nitin Fire Protection Industries Limited shall review the financial statements and investments made by the unlisted subsidiary companies, on quarterly basis.

**RESTRICTIONS ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY**

Nitin Fire Protection Industries Limited shall not dispose of the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease to exercise control over the subsidiary company, without passing a Special Resolution in its General Meeting, except in cases where such divestment is under a Scheme of Arrangement duly approved by a Court/Tribunal.

**RESTRICTION ON SALE/DISPOSAL/LEASING OF ITS ASSETS OF MATERIAL SUBSIDIARY**

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of Special Resolution, unless the sale/disposal/lease is made under a Scheme of Arrangement duly approved by a Court/Tribunal.

**DISCLOSURES**

As stipulated by Regulation 46(2) of SEBI Regulations, 2015, this Policy shall be disclosed on the Company's website.

**REVIEW OF THE POLICY**

In case of any subsequent changes in the provisions of the SEBI Regulations, 2015 or any other Regulations which make any of the clauses/provisions in this Policy inconsistent with the SEBI Regulations, 2015, the provisions of SEBI Regulations, 2015 would prevail over the Policy. The Board of Directors of the Company also, at its own discretion, has the power to review and revise this Policy.

**EFFECTIVE DATE**

The Policy as approved by the Board of Directors shall be effective from 1st December, 2015.



A handwritten signature in black ink, appearing to be "R. K. Kulkarni".