



Career Point Ltd.

Policy on Material Subsidiary

Corporate Identification Number

L72200RJ2000PLC016272

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This Policy on Material Subsidiary has been adopted by the Board of Directors pursuant to Clause 49 of the Listing Agreement. *In terms of Clause 49(V) (D) “The Company shall formulate a policy for determining “material subsidiaries and such policy shall be disclosed to Stock Exchanges and in the Annual Report.”*

1. Preamble

The Board of Directors (“**the Board**”) of the Company has adopted the following policy and procedures with regard to determination of Material Subsidiaries, as defined below. This policy will be applicable to the Company effective October 1, 2014.

2. Purpose

This policy is framed as per the requirement of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges and intended to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. Definitions

- 3.1 “**Audit Committee or Committee**” shall mean the Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013, to oversee the accounting and financial reporting process of the Company.
- 3.2 “**Board**” shall mean the Board of Directors of Career Point Limited.
- 3.3 “**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 Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- 3.4 “**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and shall include (i) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-time Director; (ii) Company Secretary; and (iii) Chief Financial Officer.
- 3.5 “**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 the listed holding company and its subsidiaries in the immediately preceding accounting year.
- 3.6 “**Policy**” means Policy on Material Subsidiary.
- 3.7 “**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.

3.8 “**Subsidiary**” shall be as defined under the 2013 Act and the Rules made there under.

4. Policy

4.1A subsidiary shall be a “Material” subsidiary, if:

- a) Investment of the Company in the subsidiary exceeds 20% of its consolidated net worth, as per the audited balance sheet of the previous financial year; or
- b) Subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

4.2One independent director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.

4.3The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the non-listed subsidiary company on an annual basis.

4.4The minutes of the Board meetings of the non-listed subsidiary company shall be placed before the Board of the Company on quarterly basis.

4.5The management shall periodically bring to the attention of the Board of the Company, a statement of all ‘Significant transactions and arrangements’ entered into by the unlisted subsidiary company.

4.6The management shall present to the Audit Committee on an annual basis, a list of such subsidiaries together with the details of the materiality defined herein. The Committee shall review the same and make suitable recommendations to the Board, including but not limited to, recommendation for appointment of Independent Director on the Board of Material Non-Listed Indian Subsidiary Company.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution in its General Meeting, shall not:

- a) Dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b) Cease the exercise of control over the Material Subsidiary; or
- c) Sell, dispose or lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

6. Disclosure of the Policy

This Policy shall be uploaded on the Company’s website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

7. Review of the Policy

The Board may review and amend this policy from time to time.

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