



Hindustan Copper Limited

Policy for determining Material Subsidiaries

Effective from 13th August, 2022

1. Preamble

This “Policy for determining Material Subsidiaries” (“Policy”) of Hindustan Copper Ltd (“Company”) has been formulated in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

2. Objective

Objective of this Policy is to determine the material subsidiaries of the Company and to provide governance framework for such subsidiaries.

3. Definition

3.1 “Act” means the Companies Act, 2013 including any amendment or modification thereof.

3.2 “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company from time to time in compliance with the provisions of the Act and Listing Regulations.

3.3 “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

3.4 “Independent Director” means a Director of the Company, as defined under the Act, and who meets the criteria of independence as stipulated under the Act and the Listing Regulations.

3.5 “Subsidiary” means a Subsidiary as defined under the Act and rules made thereunder.

3.6 “Material Subsidiary” shall mean a Subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

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 unlisted subsidiary for the immediately preceding accounting year.

4. Governance mechanism of material subsidiary

4.1 At least one Independent Director on the Board of the Company shall be a Director on the Board of Directors of an unlisted Material Subsidiary, whether incorporated in India or not.

[Explanation - For the purpose of this Clause, the term “Material Subsidiary” shall mean a Subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.]

4.2 The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted Subsidiary.

4.3 The minutes of meetings of the Board of Directors of the unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.

4.4 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.

4.5 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 or equal to 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[, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

4.6 Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material Subsidiary on an aggregate basis during a financial year shall require 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, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

4.7 The Company and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex a Secretarial Audit Report given by a Company Secretary in Practice, in such form as specified, with the Annual Report of the Company.

5. Amendment to the Policy:

Any change / modification in the Policy due to amendment in the provisions of the applicable statutes shall be done with the approval of CMD and shall be informed to the Board.

6. Disclosure

This Policy shall be hosted on the website of the Company at www.hindustancopper.com and a web link thereto shall be provided in the Annual Report.