



CAMBRIDGE  
**TECHNOLOGY ENTERPRISES**

**CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED**

POLICY ON MATERIAL SUBSIDIARIES



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## 1 TITLE

This Policy on Material Subsidiaries shall be called Cambridge Technology Enterprises Limited – Policy on Material Subsidiaries.

## 2 SCOPE

This Policy is framed, in accordance with the requirement of revised Clause 49 of the Listing Agreement (including any statutory enactments/amendments thereof) intended to ensure governance of material subsidiary companies and is in force with immediate effect.

## 3 DEFINITIONS

**“Policy”** means Policy on Material Subsidiaries.

**“Company”** means Cambridge Technology Enterprises Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec-City, Madhapur, Hyderabad – 500081 and its successors and assigns.

**“Board of Directors” or “Board”** means the Board of Directors of Cambridge Technology Enterprises Limited, as constituted from time to time.

**“Audit Committee or Committee”** means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

**“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.

**“Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

**“Consolidated Income or Net worth”** means the total income or net worth of the Company and its subsidiaries.

**“Material non-listed Indian subsidiary”** means an unlisted subsidiary of the Company, 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.

**“Significant transactions and arrangements”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenue 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.



## 4 GOVERNANCE OF MATERIAL SUBSIDIARIES

4.1 At least one Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.

4.2 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on a quarterly basis.

4.3 The minutes of the Board Meetings of the unlisted subsidiary company be placed before the Board of the Company.

4.4 The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements, if any, entered into by the unlisted subsidiary company.

4.5 The Company, without the prior approval of the members by Special Resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, shall not:

a. dispose the shares held in material subsidiaries which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50%; or

b. ceases the exercise of control over the material subsidiary; or

c. sell, dispose or lease of the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year

4.6 If conflict between two regulations viz., the Companies Act 2013 and SEBI regulations are irreconcilably inconsistent, the stricter one shall prevail.

## 5 AMENDMENTS

This Policy may be amended by the board at any time and is subject to the (i) amendments to the Companies Act, 2013 and (ii) further guidelines and enactments by the SEBI, including Listing Agreement.

## 6 DISCLOSURES

The Policy for determining material subsidiaries is to be disclosed on the Company's website i.e. <http://www.ctepl.com/> and a web link thereto shall be provided in the Annual Report, as per the provisions of laws in force.