

Policy on Material Subsidiary

1. Introduction

The Board of Directors (the “Board”) of Geojit Financial Services Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective 1 October 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Objective

To determine the Material Subsidiaries of the Company and to provide the governance framework for such Material Subsidiaries.

3. Definitions

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

“Board of Director” or **“Board”** means the Board of Directors of Geojit Financial Services Limited, as constituted from time to time.

“Independent Director” means a director of the Company, not being a Managing Director or a whole time director or a nominee director and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

Material Non Listed Indian Subsidiary shall mean a Material Subsidiary, which is incorporated in India and is not listed on the Indian Stock Exchanges.

“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.

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

4. Policy

1. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:
 - a. In which the Investment of the Company exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year;
 - or**
 - b. Which have generated twenty per cent of the consolidated income of the company during the immediately preceding financial year
 - or**
 - c. exceeds twenty percent of consolidated net worth of the Company during the immediately preceding financial year.
2. One **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
3. The management shall present to the Audit Committee annually the list of material subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, 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. ceases the exercise of control over the Subsidiary; or
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary

6. Disclosures

The Policy for determining material subsidiaries is to be disclosed in the company's website and a web link thereto shall be provided in the Annual Report.