

# Oracle Financial Services Software Limited Policy for Determining Material Subsidiaries

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February 13, 2019

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## 1. Introduction

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires every listed Company to formulate a policy for determining material subsidiaries.

This Policy for determining material subsidiaries (“The Policy”) is framed in context of the above statutory requirement and to put in place an appropriate framework for this purpose by Oracle Financial Services Software Limited (“The Company”).

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made / issued thereunder, as amended, from time to time.

This policy was approved by the Board of the Company at its meeting held on February 13, 2015. This policy was further amended and approved by the Board of the Company at its meeting held on February 13, 2019.

This policy will be effective from the date of the Board approval. The Board may review and amend this policy from time to time.

## 2. Definitions

**Determination of material subsidiary;** “A subsidiary will be considered as “Material Subsidiary” in case its income or net worth (i.e. paid up capital and free reserves) exceeds threshold percentage as defined in the Listing Agreement, of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

**Significant Transaction** shall mean any individual transaction or arrangement that exceeds or is likely to exceed threshold percentage, as defined in the Listing Agreement, of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary company for the immediate preceding accounting year.

### 3. Governance

1. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted material subsidiary Company.
2. The Minutes of the Board Meetings of the unlisted material subsidiary Companies shall be placed before the Board of the Company.
3. The Management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary Company.
4. At least one independent director on the Board of the Company shall be a director on the Board of unlisted material subsidiary Company.
5. Following transactions shall be undertaken only after passing a special resolution in its General Meeting unless such disinvestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal:
  - a. Disposing of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than prescribed threshold limit or cease the exercise of control over the material subsidiary Company.
  - b. Selling, disposing and leasing of assets amounting to more than prescribed threshold limit of the assets of the material subsidiary on an aggregate basis during a financial year.

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