

BLUE DART EXPRESS LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARY

LEGAL FRAMEWORK

The Board of Directors of Blue Dart Express Limited (the “Company”) has formulated a “Policy for determining Material Subsidiaries” to comply with the requirements of Regulation 16(1)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (**‘Listing Regulations’**)

OBJECTIVE

The objective of the Policy is to determine Material Subsidiaries of the Company and to provide a governance framework for such Material Subsidiaries.

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

DEFINITIONS

“Holding Company”

Holding Company in relation to one or more other companies, means a Company of which such companies are subsidiaries companies.

(For the purpose of this clause, the expression Company includes any body Corporate)

“Subsidiary Company”

Subsidiary Company or Subsidiary in relation to any other Company (that is to say the Holding Company), means a Company in which the Holding Company-

- I. Controls¹ the composition of the Board of Directors; or
- II. Exercises or controls more than one half of the total voting power either at its own or together with one or more of its Subsidiary companies;

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed

Explanation- For the purpose of this definition-

- a. A Company shall be deemed to be a Subsidiary Company of the Holding Company even if the control referred to in sub- clause (i) or sub- clause (ii) is of another Subsidiary Company of the Holding Company;
- b. The composition of a Company’s Board of Directors shall be deemed to be controlled by another Company if that other Company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors;
- c. the expression “Company “ includes any body corporate;
- d. “layer” in relation to a Holding Company means its Subsidiary or subsidiaries.

¹ The term "control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

“Significant Transaction or Arrangement”

“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.

IDENTIFICATION OF ‘MATERIAL’ SUBSIDIARY

A Subsidiary shall be considered as Material if turnover or net worth of such subsidiary exceeds Twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

In the event this Policy or any part thereof is inconsistent with the Acts, rules & regulation as prescribed from time to time, then to that extent such acts, rules & regulation shall be apply.

GOVERNANCE FRAMEWORK

- The Audit Committee of the listed Holding Company shall also review the financial statements, in particular, the investments made by the unlisted Subsidiary Company;
- The minutes of the Board meetings of the unlisted Subsidiary Company shall be placed at the Board meeting of the listed Holding Company;
- The Management shall periodically bring to the attention of the Board of Directors of the listed Holding Company, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiary Company;
- At least one Independent Director on the Board of Directors of the Holding Company shall be a Director on the Board of Directors of a Material Un-Listed Indian Subsidiary Company;

For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

- The Company shall include particulars of its Subsidiary Company in its Annual Return.
- The material unlisted subsidiary shall undertake Secretarial Audit and Annual Report of the Holding Company shall annex Secretarial Audit Report in its Annual Report

DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not;

- dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease to exercise control over the Subsidiary without passing a Special Resolution in its General Meeting except in cases where such disinvestment 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;
- sell, dispose & lease of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of Shareholders by way of passing Special Resolution in its General Meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by 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.

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

POLICY REVIEW

The Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

DISCLOSURES

The Policy shall be posted on website of the Company www.bluedart.com and a web link thereto shall be provided in the Annual Report of the Company