

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

ROUTE MOBILE LIMITED

Table of Contents

1. Introduction-----	3
2. Purpose and Scope of the Policy-----	3
3. Definitions-----	3
4. Identification of Material Subsidiary-----	4
5. Governance Framework-----	4
6. Disposal of Material Subsidiary-----	5
7. Policy Review-----	5

INTRODUCTION

The Board of Directors of Route Mobile Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries in accordance with the requirements of Regulation 16(c) and 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").

PURPOSE AND SCOPE OF THE POLICY

The policy will be used to determine the subsidiaries as Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

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

DEFINITIONS

"Act" means the Companies Act, 2013 along with the relevant Rules made there under or any other act applicable for the time being in force, and as amended from time to time including any statutory modifications or re-enactment thereof.

"Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with the Rules made thereunder (hereinafter referred to as "the Act") and Regulation 18 of the Listing Regulations.

"Board of Directors" or "Board" means the "Board of Directors or Board" of **ROUTE MOBILE LIMITED**, as constituted from time to time.

"Company" means Route Mobile Limited.

"Independent Director" means a director of the Company as defined under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations as amended from time to time.

"Material Subsidiary" shall mean a Subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the listed entity & its subsidiaries in the immediately preceding accounting year.

"Material Non-Listed Indian Subsidiary" shall mean an unlisted Subsidiary, incorporated in India, which are not material subsidiaries.

"Policy" means this Policy, as amended from time to time.

"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**” shall be as defined under Section 2 (87) of the Act and the rules made thereunder.

“**Unlisted Subsidiary**” means Subsidiary whose securities are not listed on any recognized Stock Exchanges.

PROVISIONS WITH REGARD TO SUBSIDIARY COMPANIES

The Audit Committee of the Company shall, periodically, review the financial statements, in particular, the investments made by the unlisted subsidiary companies.

The minutes of the Board meetings of the unlisted subsidiary companies shall, periodically, be placed at the Board meeting of the Company.

The management should periodically bring to the attention of the Board of Director of the Company, a statement of all significant transaction and arrangements entered into by the unlisted subsidiary company.

PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

At least one independent director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India;

The Audit Committee shall on an annual basis review the list of all subsidiary companies of the Company for determining/considering their materiality, as defined herein, and make suitable recommendations.

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 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;

The Company shall not sell, dispose and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing special resolution in its General Meeting unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

IDENTIFICATION OF MATERIAL SUBSIDIARY

“Material Subsidiary” shall mean a subsidiary of the Company, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively of the listed entity and its subsidiaries in the immediately preceding accounting year.

GOVERNANCE FRAMEWORK

- One Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of material non-listed Indian Subsidiary Company.

- The Audit Committee of the Company shall 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 company.
- The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company.
- Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company & no holding company shall allot or transfer its shares to any of its subsidiary companies & any such allotment or transfer of shares of a company to its subsidiary company shall be void.

DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not, without prior approval by way of passing a special resolution in its General Meeting:

- (a) Reduce its shareholding (either on its own or together with other subsidiaries) to less than 50 % or cease the exercise of control over the subsidiary; or
- (b) Sell, dispose and lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year The provision of clause (a) shall not be applicable in cases where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court/Tribunal

POLICY REVIEW

This policy shall be subject to review as may be deemed necessary and in accordance with regulatory amendments.

AMENDMENT(S)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, based on the recommendations of the Audit Committee and as per the requirements of the Act or Regulations or guidelines and any such other enactments/rules as may be applicable

DISCLOSURES

The Policy shall be disclosed on the Company's website and a web link thereto shall also be provided in the Annual Report of the Company.