



**UNITED INDIA INSURANCE COMPANY LIMITED**

Registered Office: 24, Whites Road Chennai 600034

CIN: U93090TN1938GOI000108

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**POLICY ON MATERIAL SUBSIDIARIES**

**With effect from 22.10.2021**

**(Policy inoperative w.e.f 01.04.2023 as the Company ceased to be a listed entity)**

**POLICY ON MATERIAL SUBSIDIARIES**  
**OF**  
**UNITED INDIA INSURANCE COMPANY LIMITED**

**1. INTRODUCTION**

The Board of Directors of United India Insurance Company Limited (the Company) has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

**2. OBJECTIVE**

The objective of the Policy is to determine ‘material’ subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

This Policy is formulated in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”). Any subsequent amendment / modification in the Listing Regulations and /or other applicable laws in this regard shall automatically apply to this policy.

**3. DEFINITIONS**

“**Act**” means the Companies Act, 2013 as may be amended from time to time

“**Board of Directors**” or “**Board**” means the Board of Directors of United India Insurance Company Limited

“**Company**” means UNITED INDIA INSURANCE COMPANY LIMITED

“**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 Regulations

“**Subsidiary**” shall mean a subsidiary as defined under the Act and Rules made thereunder

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Securities Contract (Regulation) Act or any other applicable law or regulation

#### **4. IDENTIFICATION OF “MATERIAL” SUBSIDIARY**

A subsidiary shall be considered as Material if :

the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

#### **5. POLICY AND PROCEDURE**

- (1) The Audit Committee of the listed Holding Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (2) The minutes of the Board Meetings of the unlisted subsidiary company shall be periodically placed at the Board meeting of the Company.
- (3) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- (4) At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purpose of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI (LODR) Regulations 2015 or defined hereinabove, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- (5) 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, 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.
- (6) The Company shall not sell, dispose and lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale/disposal/lease 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.

**6. SECRETARIAL AUDIT**

The Company and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit report, given by a Company Secretary in Practice.

**7. DISCLOSURES**

This Policy shall be disclosed on the Company's website, [www.uiic.co.in](http://www.uiic.co.in) .

**8. AMENDMENTS**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules made thereunder or Listing Regulations and/or any other Laws in this regard shall automatically apply to this Policy.

**9. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations /Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations /Companies Act, 2013 or statutory enactments, rules shall prevail this Policy.

**10. EFFECTIVE DATE**

This policy shall be effective from 22<sup>nd</sup> October 2021 i.e. the date of approval by the Board of the Company.