

UNITED SPIRITS LIMITED**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES INCLUDING POLICIES RELATING TO UNLISTED SUBSIDIARIES (Amended as of May 27, 2020)****1. INTRODUCTION**

The Board of Directors of United Spirits Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. TITLE

This Policy shall be called 'Policy for determining material subsidiaries'.

3. OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries and for unlisted subsidiaries. The Policy is framed in accordance with the requirements of the explanation to sub regulation 1(c) of regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Herein after referred as "SEBI LODR")

4. DEFINITIONS

"Board of Directors" or **"Board"** means the Board of Directors of United Spirits Limited, as constituted from time to time.

"Company" means United Spirits 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 SEBI LODR with the Stock Exchanges.

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

"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, the SEBI LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.



5. POLICY

A subsidiary shall be considered as **Material** if the income or net worth of such subsidiary exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year; and A list of such Material subsidiaries and Material Non Listed Subsidiaries shall be presented to the Audit Committee annually for its noting.

6. REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- a) dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- b) dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- c) sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

7. REQUIREMENT REGARDING UN-LISTED SUBSIDIARIES

- a. At least one Independent Director on the Board of the Company shall be a Director on the Board of the un-listed material subsidiary whether incorporated in India or not.*

For the purpose of such appointment of director, material subsidiary shall be as defined in explanation to Sub Regulation 1 of Regulation 24 as amended from time to time.

(Currently, the threshold is the income or net worth of the subsidiary exceeding 20% of the consolidated income or net worth in the immediately preceding accounting year.)

- b. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.- For the purpose of this regulation, the term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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.*

* Amended by the Board of Directors at their meeting held on 23rd January 2019 & shall come into effect from April 1, 2019.

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, based on the recommendations of the Audit Committee. The Board may also establish

further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

9. SCOPE AND LIMITATION

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

10. DISSEMINATION OF POLICY

This policy shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company.