

SAKSOFT LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

In pursuance of Clause 49 of the listing agreement with the Stock Exchanges(“ Listing Agreement”) where the Shares of Saksoft Limited (“ the Company”) are listed, the Company is required to formulate a policy for determining material subsidiaries. Accordingly, the Board of Directors of the company approved and adopted this Policy for Determining Material Subsidiaries with effect from October 01, 2014.

2. OBJECTIVE

This Policy aims to provide a framework for determining material subsidiaries of the Company.

3. DEFINITIONS

The capitalized terms of used but not defined herein shall have the meaning ascribed to such terms in the Companies Act, 2013, Rules framed thereunder and the Listing Agreement (“Statutory Provisions”), as the case may be. In case any provisions of this policy are contrary to or inconsistent with the statutory provisions, the statutory provisions shall prevail.

4. DETERMINATION OF MATERIAL SUBSIDIARY

- i. A subsidiary of the Company shall be considered as material (“Material Subsidiary”) if the investment of the Company in the Subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.
- ii. A Subsidiary of the company incorporate in India and whose securities are not listed on any stock exchange shall be treated as “Material Non-listed Indian Subsidiary”, if such Subsidiary’s income or net worth (i.e. paid up Capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding financial year.
- iii. The Audit Committee of the Company shall, at the meeting held every year for considering the audited annual financial statements, review the financial parameters of each of its subsidiaries to determine whether they are a material subsidiary or not. Based on the review, the Audit Committee may recommend to the Board the Compliances to be in place with respect to each of such material subsidiaries.

5. COMPLIANCES

The Company shall comply with the requirements of Listing Agreement in respect of each of its Material subsidiary and material Non-listed Indian Subsidiary identified in terms of this Policy.

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6. DISCLOSURE

This policy shall be disclosed on the Company's website www.saksoft.com and web link thereto shall be provided in the Annual report of the Company.

7. AMENDMENT

This Policy can be amended, modified, revised or abrogated by Board of Directors of the Company from time to time.
