

POLICY ON MATERIAL SUBSIDIARY/IES

PREFACE:

The Board of Directors of Today's Writing Instruments Limited ("the Company") has adopted the following Policy with regard to determination of Material Subsidiaries of the Company

This Policy has been formulated in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations)

OBJECTIVE:

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

DEFINITIONS:

"**Audit Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

"**Board of Directors**" or "Board" means the Board of Directors of Today's Writing Instruments Limited, as constituted from time to time

"**Independent Director**" means an independent director as referred to in sub section (5) of section 149 of The Companies Act 2013 and Regulation 16(1) (b) of the Listing Regulations.

"**Policy**" means Policy on Material Subsidiary.

“Material subsidiary” shall mean a subsidiary, 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.

“Significant Transaction or Arrangement” means 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 mean a subsidiary as defined under the Companies Act, 2013.

COMPLIANCE TO BE DONE BY THE COMPANY

- (1) 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.
- (2) The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (3) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.
- (4) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- (5) A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent 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.

- (6) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require 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.
- (7) Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

DISCLOSURE

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company (www.todays.co.in) and a web link thereto shall be provided in the Annual Report of the Company.

AMENDMENT

Any change in this Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.