



POLICY ON MATERIAL SUBSIDIARIES

1. BACKGROUND:

The SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 mandate listed entity to formulate a policy for determining 'material' subsidiary.

In order to ensure governance of material subsidiary companies, the Board of Directors of the Company has adopted the policy and procedures for determining 'material' subsidiary companies in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

2. DEFINITIONS

- (a) **“Act”** means the Companies Act, 2013 and Rules framed there under, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.
- (b) **“Audit Committee”** means the audit committee constituted by the Board in accordance with applicable law, including the Listing Regulations and the Act.
- (c) **“Board of Director” or Board”** means Board of Directors of the Company.
- (d) **“Company”** mean “SpiceJet Limited”.
- (e) **“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 criteria for independence under the Act and the Listing Regulations.
- (f) **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.
- (g) **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- (h) **“Policy”** means this policy, as amended from time to time.
- (i) **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Act.
- (j) **“Unlisted Subsidiary”** means Subsidiary whose securities are not listed on any recognized Stock Exchanges.

3. POLICY AND PROCEDURE:

- (a) The Audit Committee shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
- (b) The minutes of the meetings of the board of directors of the Unlisted Subsidiary shall be placed at the meeting of the Board of the Company.
- (c) The management of the Unlisted Subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary.

Explanation – “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.

- (d) The Company 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, or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (e) 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, or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- (f) At least one Independent Director on the Board of the Company shall be a director on the board of directors of an Unlisted Material Subsidiary, incorporated in India or not, 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.
- (g) Unlisted Material Subsidiary 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, in such form as may be specified with effect from the year ended March 31, 2019.

4. MISCELLANEOUS

- (a) The Board may subject to the 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. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.
- (b) In the event of any conflict between the provisions of this Policy and the Act or the Listing Regulations or any other statutory enactments or rules, the provisions of the Act or the Listing Regulations or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.
- (c) This Policy shall be hosted on the website of the Company.