

USHA MARTIN LIMITED

POLICY FOR MATERIAL SUBSIDIARIES

A) Introduction

The following policy and procedures with respect to determining of Material Subsidiaries in accordance with Clause 49 (V) (D) has been approved by the Board of Directors (Board) of Usha Martin Limited (the Company) on and shall be effective from

B) Objective

This Policy has been framed for determination of material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

C) Definitions

- 1) Material Subsidiary: A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - i) In which the Investment (including proposed investment) of the Company, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
 - ii) Which have generated twenty per cent of the consolidated total revenue of the Company during the previous financial year
- 2) Material Non Listed Indian Subsidiary shall mean a “Material Subsidiary” which is incorporated in India and is not listed on any Stock Exchanges in India.
- 3) “Significant Transaction or Arrangement” shall mean 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.

D) Policy

- 1) The management shall present to the Audit Committee annually a list of all Material Subsidiaries including Material non – listed Indian subsidiaries.

An initial list of all subsidiaries as on 31st December, 2014 is provided as Annexure A. Updated list of subsidiaries shall be prepared and placed before the Audit Committee and Board at the first meeting held after the commencement of every financial year.

The Audit Committee shall review the same and make suitable recommendations to the Board for appointment of at – least one Independent Director of the Company on the Board of the Material Non-Listed Indian Subsidiary(s).

- 2) Minutes of the Board Meeting of unlisted subsidiary companies shall be placed at the Board Meeting of the Company on a quarterly basis.
- 3) Audit Committee of the Company shall review the financial statement and in particular the investments made by unlisted subsidiary companies.
- 4) A statement of all “significant transactions and arrangements” entered into by unlisted subsidiary companies should be placed before the Board of the Company every quarter.
- 5) The Company, without the prior approval of the members by Special Resolution, shall not:
 - i) dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
 - ii) ceases the exercise of control over the Subsidiary; or
 - iii) sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis.

Provided, that aforementioned approval of members by Special Resolution shall not be required if such disposal of shares, cessation of control, sale or disposal or lease is made under a scheme of arrangement duly approved by a Court or Tribunal.

E) Review

The Board may, on recommendation of the Audit Committee, review and amend this policy from time to time.

Annexure – A – Material Subsidiaries

Subsidiaries	Share Capital (Rs. in Lakhs)	Turnover (Rs. in Lakhs)	Percentage of investment in subsidiary in comparison to Net Worth of UML	Percentage of turnover of subsidiary to turnover of UML	Status (Material Subsidiary / Material non listed Indian Subsidiary / Subsidiary)
U M Cables Limited	2813	16998	0.014	4.17	Subsidiary
Usha Martin Power and Resources Limited	5	-	0.000	-	Subsidiary
Bharat Minex Private Limited	20	-	0.000	-	Subsidiary
Usha Martin International	6208	-	0.029	-	Subsidiary

Limited					
Usha Martin UK Limited	3841	40253	0.019	9.88	Subsidiary
European Management and Marine Corporation Ltd			0.000	0.00	Subsidiary
EMM Caspian Limited			0.000	0.00	Subsidiary
Brunton Shaw UK Limited			0.000	0.00	Subsidiary
De Ruiter Staalkabel B.V.	15	7744	0.000	1.90	Subsidiary
Usha Martin Europe B.V.	15	1664	0.000	0.41	Subsidiary
Usha Martin Italia S.R.L.	8	703	0.000	0.17	Subsidiary
Brunton Wolf Wire Ropes FZCO.	3099	15260	0.009	3.75	Subsidiary
Usha Martin Americas Inc.	2397	9036	0.012	2.22	Subsidiary
Usha Siam Steel Industries Public Company Limited	2642	25053	0.013	6.15	Subsidiary
Usha Martin Singapore Pte Limited	343	17902	0.002	4.39	Subsidiary
Usha Martin Australia Pty Limited	111	6858	0.001	1.68	Subsidiary
Usha Martin Vietnam Company Limited	49	2070	0.000	0.51	Subsidiary
PT Usha Martin Indonesia	60	1091	0.000	0.27	Subsidiary
Usha Martin China Company Limited	297	2172	0.001	0.53	Subsidiary

Usha Martin Limited	(Rs. in Lakhs)
Share Capital	3054
Net Worth	200284
Turnover	407383

*As per the Listing Agreement, a "material non listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. A significant transaction or arrangement shall mean 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.

Therefore as per the criteria specified in the listing agreement, there is no material subsidiary.