NAVA BHARAT VENTURES LIMITED

Nava Bharat Chambers, 6-3-1109/1, Raj Bhavan Road, Hyderabad – 500 082

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Preamble:

The Board of Directors ("the Board") of Nava Bharat Ventures Limited ("the Company") has adopted the following policy and procedures with regard to determination of "Material Subsidiaries" in order to comply with the requirements of Regulation 16(1) (c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), as may be amended. The Board / its Committee may review this policy from time to time.

Definitions:

1. **"Subsidiary Company":** "Subsidiary Company" shall be as defined under the Act.

2. **"Material Subsidiary":** "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds 10% (Ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. **"Significant transactions or arrangement":** "Significant transactions 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.

4. **"Audit Committee":** "Audit Committee" shall mean the Committee formed under Regulation 18 of the Regulations as amended from time to time.

Policy and procedure

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.

2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.

3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.

4. The Company shall not dispose of shares in its material subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% 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 Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not.

   Only for this purpose, notwithstanding anything to the contrary contained in Regulation 16 of the Regulations and the definition give above, the term "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.

Disclosures

The policy for determination of material subsidiary shall be disclosed on the Company's website and the web link of the same shall be provided in the Annual Report.

Amendment:

The Board may review the policy from time to time and amend appropriately to ensure conformity with the applicable enactments.

****