



**Policy for determining Material Subsidiaries**

**Owner**  
Company Secretary

**Effective Date**  
April 01, 2019

## Policy for determining Material Subsidiaries

### 1. Preamble and Objective

The Board of Directors of Bharti Airtel Limited (hereinafter referred to as BAL or the Company) has, in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2019 (“Listing Regulations”) (including any statutory enactments / amendments thereof), adopted the following policy for laying down a criterion for determining “**Material Subsidiaries**” and their governance.

This Policy is intended to augment and work in conjunction with regulatory provisions and other company policies.

### 2. Definitions:

- 2.1 “**Policy**” means this Policy for determining Material Subsidiaries.
- 2.2 “**Material Subsidiary**” means 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.
- 2.3 “**Unlisted Material Subsidiary**” means a material Subsidiary (whether incorporated in India or not) which is not listed on any Stock Exchanges in India or overseas and excludes the subsidiary the securities of which are proposed to be listed.
- 2.4 “**Significant Transaction or Arrangement**” means 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.
- 2.6 “**Subsidiary**” as defined under section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

The words and expressions used in this Policy unless defined hereunder shall have the meaning assigned to them respectively in the Companies Act, 2013 and rules made thereunder, Listing Regulations, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 or the SEBI (Issue of capital and disclosure requirements) regulations or any statutory modification or re-enactment thereof, as the case may be.

### 3. Criteria for determining the Material Subsidiaries:

A subsidiary shall be regard as a Material Subsidiary for the financial year if it falls under the definition provided in clause 2.2 of this policy.

The Audit Committee shall review on annual basis such details / information as may be required to determine the ‘Material Subsidiaries’.

#### **4 Governance of Material subsidiaries:**

- 4.1 On the recommendation of HR and Remuneration Committee, an Independent Director of the Company shall be appointed on the Board of Directors of Unlisted Material Subsidiary, whether incorporated in India or not.

**Explanation:** For the purpose of this clause, the term “Material Subsidiary” means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- 4.2 The Audit Committee shall review the financial statements of each unlisted Subsidiary including material subsidiary, in particular, the investments made by such unlisted subsidiary on a regular basis.
- 4.3 The minutes of the Board Meetings of the unlisted subsidiary company shall be periodically placed before the Board.
- 4.4 A statement of all significant transactions and arrangements entered into by the unlisted subsidiary company shall be periodically placed before the Board,

#### **5 Disposal of shares or assets of material subsidiary company**

- 5.1 Disposal of shares of material subsidiary, by the Company 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 shall require a special resolution in its General Meeting. The approval of shareholder shall not be required 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 Code.
- 5.2 Selling, disposing and leasing of assets amounting 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.

#### **6. Disclosures by the Company**

This Policy shall be disclosed on the Company's website and such web link shall also be provided in the Annual Report.

#### **7. General**

The Company Secretary is authorised to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or SEBI w.r.t. Material Subsidiaries from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at [compliance.officer@bharti.in](mailto:compliance.officer@bharti.in).