



POLICY ON DETERMINATION OF MATERIAL SUBSIDIARY

1. NEED AND OBJECTIVE OF THE POLICY:

Securities and Exchange Board of India (SEBI), has on September 02, 2015, notified a comprehensive SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations}, replacing the existing Listing Agreement. The new Regulation shall come into force on the 90th day from the date of its publication in Official Gazette, i.e., with effect from December 01, 2015.

Further, SEBI vide Gazette Notification dated 09.05.2018 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. SEBI (LODR) (Amendment) Regulations, 2018.

In order to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. Regulation 16(1)(c) of SEBI (LODR) Regulations defines “material subsidiary” and in terms of explanation to this Regulation, the Bank is required to frame a policy for determining ‘material subsidiary’, based on the criteria specified in SEBI (LODR) Regulations.

This Policy has been adopted by the Board of Directors of Syndicate Bank (‘the Bank’) at its Meeting held on June 22, 2017 (The erstwhile Policy for determining Material Subsidiaries stands replaced by this Policy with effect from _____).

2. **NAME OF THE POLICY.** - This Policy shall be known as “Policy on Determination of material subsidiary.”

3. DEFINITIONS:

Board	“Board” means Board of Directors of the Bank
Key Managerial Personnel	“Key Managerial Personnel” means, (i) Managing Director and Chief Executive Officer; (ii) Executive Directors (iii) Chief Financial Officer; (iv) Company Secretary (v) Board Secretary and (vi) such other officer/s as may be prescribed.
Specified securities	Specified securities means equity shares and other securities listed with the Stock Exchanges.
Subsidiary	As defined under sub-section (87) of section of the Companies Act, 2013

4. POLICY:

4.1. Material Subsidiary

“Material Subsidiary” shall mean a subsidiary, whose income or networth exceeds ten percent of the consolidated income or networth respectively, of the Bank and its subsidiaries in the immediately preceding accounting year.

4.2 Corporate Governance with respect to material subsidiary of the Bank

1. Atleast, one independent director of the Board of Directors of the Bank shall be a director on the board of directors of an unlisted material subsidiary whether incorporated in India or not.
Explanation: For the purpose of this requirement, the term “material subsidiary” shall mean a subsidiary, whose income or networth exceeds twenty percent of the consolidated income or networth respectively, of the Bank and its subsidiaries in the immediately preceding accounting year
2. The Bank 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 resolution in its General meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a court /tribunal.
3. 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.
4. The Bank and its material unlisted subsidiaries 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.

4.3. Timeline for disclosure: The Bank shall submit compliance with regard to provisions relating to Corporate Governance of the subsidiary, as specified and within the time limit prescribed by SEBI from time to time.

4.4. The Bank shall, with respect to disclosures referred to in SEBI (LODR) Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.

4.5. The Bank shall disclose all material events or information with respect to its material subsidiaries, if any, to the stock exchanges, where the shares of the Bank are listed.

4.6. The Bank shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

5. WEBSITE UPDATION:

The Bank shall disclose on its website the policy on determination of material subsidiary.

6. IMPLEMENTATION OF POLICY.

All the Functional Heads shall report important events, if any, which may occur in their area of operation, to the Company Secretary or any other person authorized by the Board immediately on happening of such events to enable determination of "material subsidiary" and for disclosure to the stock exchanges, if necessary.

7. REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board in consultation with the Key Managerial Personnel has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.