



STOVEC INDUSTRIES LIMITED

POLICY FOR DETERMINING
MATERIAL SUBSIDIARIES

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Purpose

As per Clause 49 (V) (D) of Listing Agreement with Stock Exchanges, the Company is required to formulate Policy for determining 'Material' subsidiaries and accordingly this policy is formulated.

Material Subsidiary

A subsidiary shall be considered as material whose income or net worth exceeds twenty per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Explanation:

Income means Total Income from Operations i.e. Net sales/income from operations (Net of excise duty) plus other operating income.

Net worth means Paid up capital and free reserves.

Amendment

Any statutory amendment relating to determination of material subsidiary (ies) shall become automatically applicable from the date it is notified and above provision relating to determination of Material Subsidiary shall be amended/changed/replaced to that extent.