

GROUP GOVERNANCE POLICY

Date of Implementation of policy	April 01, 2019
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GROUP GOVERNANCE POLICY

PREAMBLE

Pursuant to Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated May 10, 2018 issued by the SEBI, a listed entity ('Entity') which are having large number of unlisted subsidiaries required to frame a "**Group Governance policy**", so that the entity may monitor the governance of the Unlisted subsidiaries through a dedicated group governance unit or Governance Committee comprising the members of its board of directors.

In order to secure strong and sustainable corporate governance, it is important that the Group ensure good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations.

GOVERNING LAWS

This policy shall be governed by the provisions of the SEBI Act, Rules and Regulations made thereunder and all other applicable laws for the time being in force.

PURPOSE

This "Group Governance policy" is based on the Code of Practice, which deal with the monitoring of Corporate Governance of Unlisted subsidiaries of Dilip Buildcon Limited (hereinafter referred to as "the Company") and as such is designed to establish a basis for good corporate governance, to support achievement of the Company's core objectives on behalf of its shareholders, including the achievement of sustainable profitability for its shareholders. The manner in which the Group is governed is vital to the development of the Group's value over time.

The Company believes good corporate governance involves openness and trustful cooperation between all parties involved in the Group, the owners, the board of directors (the "**Board**") and executive management, employees, contract parties, public authorities and society in general.

The Board has constituted a "Group Governance Committee" so as to monitor the Corporate governance of the subsidiary companies, to assist the Board in fulfilling its responsibilities, status of the ongoing and completed projects, development and improvements of the projects, Financial Closures, Equity Commitment, Debt requirement, Performance Bank Guarantee, Mobilisation advance received and released by the subsidiaries and other related activities, so that the Company can implement sound corporate governance of Unlisted subsidiaries of the Companies. The Company's corporate governance principles are an on-going and important process that the Board and the Corporate Governance Committee intend to focus on.

The Policy also intends to ensure governance of Subsidiary companies by complying with directorship requirements, review of financial statements, minutes of the meetings, bringing to the attention of the Board all significant transactions and arrangements entered, rules regarding divestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiary by the Company.

AUTHORITY

This Policy has been adopted by the Board of Directors of Dilip Buildcon Limited ('the Company') at its Meeting held on March 30, 2019. The Policy shall also be displayed on the website of the Company and the web link of the same is to be disclosed in the section of the Annual Report of the Company.

DEFINITION

"**Audit Committee**" means the committee formed under Section 177 of the Companies Act, 2013.

"**Board of Directors**" or the "**Board**" shall mean the board of Directors of Unlisted Subsidiaries of Dilip Buildcon Limited as constituted from time to time;

"**Subsidiaries**" means a subsidiary as defined under sub-section(87) of section2 of the Companies Act, 2013;

The List of subsidiaries of Dilip Buildcon Limited are mentioned as per schedule A;

“Control” means Company shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

“Directors” mean all the Directors on the Board.

“Independent Director” means a non- executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations. The promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

“Listing Regulations” means the Securities and Exchange Board of India (LODR) Regulations, 2015 and amendments thereto.

“Material Subsidiary” notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds Ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“Significant Transaction 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

“Subsidiary” means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.

“Corporate Governance” means a set of relationships between the Company’s management, its Board, its shareholders and other stakeholders which provide the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance. It helps to define the way authority is allocated and the way corporate decisions are arrived at and executed;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

COMPOSITION OF COMMITTEE

The Board of Directors of the Company has constituted a Group Governance Committee’ to evaluate the Corporate Governance of unlisted subsidiaries of the Company with the composition of three independent directors. The Details of the Committee are as under :

S. NO	Name of Members of the Committee	Designation
1	Mr. Satish Chandra Pandey	Chairman
2	Mr. Amogh Kumar Gupta	Member
3	Mr. Ashwini Verma	Member

The said committee will effectively coordinate, communicate and oversee the activities of the subsidiary companies .

ROLES AND RESPONSIBILITY OF COMMITTEE

- i. To formulate a strong and effective group governance policy,
- ii. Establish a Framework for evaluation of the Corporate Governance of the unlisted Subsidiaries of the Company;
- iii. Oversee & evaluate the performance and Corporate Governance practices of the unlisted Subsidiaries of the Company;
- iv. Report any deviation to the Board;
- v. To ensure mandatory disclosures are made to the concerned authorities by the Subsidiaries Companies;
- vi. To ensure that composition of Board of Directors and Committees of subsidiaries are commensurate with the Companies Act, 2013
- vii. To ensure role of the Board and Committees of subsidiaries are clearly defined and they meet at suitable intervals.
- viii. To Monitor Subsidiary’s Board effectiveness and its roles;
- ix. To recommend such Governance practices as may be deemed fit to the unlisted subsidiaries upon getting approval of the Board on the same

- x. driving consistency in respect of governance and regulatory conduct matters across the Group;
- xi. overseeing compliance with the corporate governance principles, culture and ethical values of the Group in line with the Group's strategic priorities, including the provision of approvals where required;
- xii. To assist in the compliance of regulatory requirements as may be necessary for various authorities viz. Registrar of Companies, Ministry of Corporate Affairs, NHAI, MPRDC, MHRDC, other central, state and Semi Government organisations, banks, Tax authorities etc.;
- xiii. To review the operational and financial performance of the Subsidiaries and if necessary, advise for the betterment.

The Group Governance Committee was authorized by the Board of Directors of the Company to perform any other function as may be deemed necessary for the Better Governance of Subsidiaries and Group as a whole.

COMPLIANCES TO BE FOLLOWED

1. Independent Director on the Board of Material Unlisted Subsidiary company

At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

2. Financial Statement of Unlisted Subsidiary Companies

The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

3. Minutes of Unlisted Subsidiary companies

The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company .

4. Significant Transactions/Arrangements of Unlisted Subsidiary Company

The management of the unlisted subsidiary Companies shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary.

5. Restriction on Disposal of Shares of Material Subsidiary by the Company

The Company shall not dispose of the shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise 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 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. Restriction on Disposal of Assets of Material Subsidiary

The Company shall not sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without the prior approval of its 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.

7. WEBSITE

The Company shall disseminate under a separate section on its website separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year.

8. REVIEW OF INFORMATION BY AUDIT COMMITTEE OF THE COMPANY

Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

9. DISCLOSURE IN THE ANNUAL REPORT

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Subsidiaries	a) Loans and advances in the nature of loans to subsidiaries by name and amount. b) Loans and advances in the nature of loans to associates by name and amount. c) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

10. Reporting and Disclosure

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

11. Compliance Responsibility

The Company Secretary and Compliance Officer shall ensure the compliance of this Policy and shall have the power to ask for any information or clarifications from the management in this regard.

12. Disclosure of Events or Information

The Company shall disclose all events or information with respect to subsidiary, which are material for the Company as per Regulation 30(9) of the Listing Regulation.

Information to be placed before Board

To enable the Board members to discharge their responsibilities effectively and to take informed decisions about the subsidiaries, a report must be generated through this committee where it cover all the aspects as said above be placed before the Board. The Board members shall have the complete information about the subsidiaries of the Companies and shall be provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

Review & Amendment

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

This Policy has been reviewed by the Audit Committee and is approved by the Board of Directors at their meeting held on March 30, 2019 and the policy shall come into force with immediate effect.

By orders of the Board
For, Dilip Buildcon Limited

Sd/-
Abhishek Shrivastava
Company Secretary
Place:Bhopal