tti **TTI ENTERPRISE LIMITED**

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Pursuant to Clause 49 of Listing Agreement.

1. INTRODUCTION

The Board of Directors (the 'Board') of **TTI Enterprise Limited** (the 'Company') as its meeting held on 20th May, 2015 has adopted this policy and procedures with regard to the Determination of Material Subsidiaries in compliance with the requirement of Clause 49 of Listing Agreement.

2. OBJECTIVE

This Policy sets out the criteria for determining material subsidiaries and to provide the governance framework for such subsidiaries.

3. DEFINATION

1. A subsidiary shall be considered as "material" if –

- the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or

- the subsidiary has generated 20% of the consolidated income (revenue) of the Company during the previous financial year.

2.The term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

3. The term "Material Non-Listed Indian Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e paid up capital and free reserves) exceeds 20%

3."Subsidiary" means as defined under Companies Act, 2013 and rules made there under.

4. POLICY AND PROCEDURE

1. At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company.

2. The Audit Committee of the listed holding company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

3. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company.

4. The management should periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

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. The exception has been granted for divestment under a scheme of arrangement duly approved by a court/ tribunal.

6. RESTRICTION ON DISPOSAL OF ITS ASSETS BY MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than 20% 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.

7. AMENDEMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or Listing Agreement or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.