

# ISMT Policy on Material Subsidiary Companies

## **1. INTRODUCTION**

The Board of Directors of ISMT Limited (“Company”) has adopted this Policy on Material Subsidiary Companies in accordance with the requirement of clause 49 of the Equity Listing Agreement with the Stock Exchange including any amendments thereof.

## **2. MATERIALITY THRESHOLD**

A subsidiary of the Company shall be considered ‘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 if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

## **3. EFFECTIVE DATE**

This Policy shall come into effect from October 1, 2014.