



**ESCORTS LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

**1. Introduction**

The Board of Directors (the “Board”) of Escorts Limited (the “Company”) in their meeting held on January 16, 2015 has adopted this policy for determining material subsidiaries of the Company, in line with the requirements of Clause 49 of the Listing Agreement on Corporate Governance and subsequent amendments thereto.

The Board may review and amend this policy from time to time.

**2. Scope & Inclusion**

This policy sets out the criteria for determining material subsidiaries.

**3. Policy**

A subsidiary shall be considered as material subsidiary 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 of the Company during the previous financial year.

**ESCORTS LIMITED**

Corporate Secretariat

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