



नॉर्थ ईस्टर्न इलेक्ट्रिक पावर कॉर्पोरेशन लिमिटेड
NORTH EASTERN ELECTRIC POWER CORPORATION LTD.

**DECLARATION REGARDING MATERIAL SUBSIDIARY:
DISCLOSURE**

North Eastern Electric Power Corporation Limited (NEEPCO) does not have any subsidiary company or material subsidiary company. Hence, no material subsidiary policy is approved by the Board of the company. As per SEBI(LODR),2015, “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.

COMPLIANCE REGARDING MATERIAL SUBSIDIARY OF THE COMPANY

In case, company forms material subsidiary, following compliances as per Regulation 24 of SEBI (LODR) shall be complied:

- i. At least one Independent Director of NEEPCO shall be a Director on the Board of the Material non-listed Indian Subsidiary Company.

For the purposes of this sub-clause, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of NEEPCO and its subsidiaries in the immediately preceding accounting year.

- ii. NEEPCO shall not, without the prior approval of the members by special resolution in its General Meeting, dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the Material Subsidiary except 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.
- iii. NEEPCO shall not, without the prior approval of the members by special resolution, sell, dispose-off or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the same 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.
- iv. The Audit Committee of NEEPCO shall review the financial statements, in particular, the investments made by the unlisted subsidiary company, on an annual basis.
- v. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed before the Board of NEEPCO on periodical basis.
- vi. The management of unlisted subsidiary shall periodically bring to the attention of the Board of Directors of NEEPCO, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiary.

“Significant Transaction or Arrangement” means 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 unlisted subsidiary for the immediately preceding accounting year.