

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

(Pursuant to Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements, Regulations 2015).

### **1. PURPOSE**

The policy for determining material subsidiary companies has been framed in accordance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations") as amended from time to time. The Policy will be used to determine the Material Subsidiaries of the company.

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under SEBI LODR Regulations and in absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

### **2. CRITERIA FOR DETERMINING SUBSIDIARY**

A subsidiary of the company shall be considered 'Material' if the income or net worth of the subsidiary exceeds 10% of the consolidated income or net worth respectively of the company and its subsidiaries in the immediately preceding accounting year.

### **3. REQUIREMENT FOR MATERIAL NON-LISTED SUBSIDIARY**

a. At least one independent director on the board of the company shall be a director on the Board of the material non-listed subsidiary company.

For the purposes of this requirement, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiary in the immediately preceding accounting year.

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

c. 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.

d. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

"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.

#### **4. DISPOSAL OF MATERIAL SUBSIDIARY**

The company, without passing a special resolution in its General Meeting shall not:

- i. dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- ii. dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- iii. sell, dispose 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 in cases where the divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

#### **5. SECRETARIAL AUDIT**

The material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex, a secretarial audit report, given by a company secretary in practice with the Company's Annual Report.

#### **6. DISCLOSURE**

This policy shall be disclosed on the website of the company.

#### **7. REVIEW /AMENDMENT**

This Policy shall be subject to review by the Board of Directors as may be deemed necessary and in accordance with any regulatory amendments.

#### **8. LIMITATION AND AMENDMENT**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over the policy. Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.

\* Policy adopted by the Board of Directors on 12.04.2021