

Policy for Determining Material Subsidiaries

1. Objective

This policy lays down the criteria for identifying “material subsidiaries” of the Company to ensure compliance with applicable laws, strengthen oversight, and safeguard the interests of stakeholders.

2. Definitions

- **Subsidiary:** A company as defined under Section 2(87) of the Companies Act, 2013.
- **Material Subsidiary:**
A subsidiary shall be considered *material* if any of the following conditions are met:
 1. The subsidiary’s **income** or **net worth** exceeds **10%** of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding financial year; or
 - Any other criteria prescribed by law or determined by the Board from time to time.

3. Identification Process

- The Audit Committee, with inputs from the finance and legal teams, shall annually evaluate all subsidiaries against the above criteria.
- Any newly incorporated or acquired subsidiary will be immediately assessed for materiality.

4. Governance of Material Subsidiaries

1. **Audit Committee Oversight**
 - The Audit Committee shall review the financial statements, investments, and significant transactions of all material subsidiaries.
2. **Board Representation**
 - At least one independent director of the Company shall be a director on the board of an unlisted material subsidiary.
3. **Restrictions on Disposal of Shares/Assets**
 - The Company shall not:
 - Dispose of shares in a material subsidiary reducing its shareholding to less than 50%; or
 - Sell/dispose/lease assets amounting to more than 20% of the assets of a material subsidiary;
without prior approval of the shareholders by special resolution (unless exempt under law).

5. Disclosure

- This policy shall be disclosed on the Company's website and a web link shall be provided in the Annual Report of the Company.
- The names of material subsidiaries shall also be disclosed annually in the Corporate Governance Report.

6. Amendments

- The Board of Directors may review and amend this policy as required to comply with changes in applicable laws or to strengthen governance standards.