

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### **1. BACKGROUND**

The Policy for determining 'material' subsidiary companies had been framed in accordance with Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

### **2. OBJECTIVE**

The Policy will be used to determine the material subsidiaries of TAKE Solutions Limited (referred to as "TAKE" or "the Company") and to provide the governance framework for such subsidiaries.

### **3. DEFINITIONS**

- i. **Act** means the Companies Act 2013 as may be amended from time to time
- ii. **Audit Committee** means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and also in accordance with the necessary provisions of the Listing Regulations.
- iii. **Control** shall include the right to appoint majority of Directors or control the management policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- iv. **Independent Director** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the Listing Regulations.
- v. **Material Subsidiary** shall mean a Subsidiary whose income or networth exceeds ten percent (10%) of the consolidated income or networth respectively, of the listed entity and its subsidiaries in immediate preceding accounting year.
- vi. **Significant transaction or arrangement** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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.
- vii. **Subsidiary** shall be as defined under the Section 2(87) of the Act
- viii. **Unlisted Subsidiary** means Subsidiary whose securities are not listed on any recognized Stock Exchanges.

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

### **4. IDENTIFICATION OF 'MATERIAL' SUBSIDIARY**

A subsidiary shall be considered as material if:

- a) the networth of the subsidiary, exceeds ten percent (10%) of the consolidated net worth of TAKE and its subsidiaries in the immediately preceding accounting year or,

- b) if the income of the subsidiary exceeds ten percent (10%) of the consolidated income of TAKE and its subsidiaries in the immediately preceding accounting year.

## **5. GOVERNANCE FRAMEWORK**

- i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary shall be placed before the Board of the Company.
- iii. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary. The term “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.
- iv. At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary.
- v. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

## **6. DISPOSAL OF MATERIAL SUBSIDIARY**

The following disposals shall not be permitted:

- i. The Company reducing its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or ceasing exercise of control over the subsidiary or,
- ii. Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year

without passing a special resolution in the Company’s General Meeting except in cases 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 with one day of the resolution plan being approved;

## **7. DISCLOSURES AND LIMITATION**

The Company shall disclose in its Board’s report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Board’s report.

Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

In the event of any conflict between the provisions of this Policy and the Listing Regulations / Act or any other statutory enactments, rules, the provisions of such Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy.

## **8. AMENDMENT**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.