



INDOCO REMEDIES LIMITED
POLICY FOR DETERMINING MATERIAL
SUBSIDIARY



1. PURPOSE AND SCOPE:

The Policy for determining material subsidiary has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

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

All the words and expression 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 Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

2. IDENTIFICATION OF MATERIAL SUBSIDIARY:

Material Subsidiary shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. GOVERNANCE FRAMEWORK:

➤ Requirement regarding unlisted material subsidiary

i. Independent Director on the Board of Material Unlisted Subsidiary company

At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Subsidiary Company, whether incorporated in India or not.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 of Listing Regulations, the term "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 subsidiaries in the immediately preceding accounting year.]



➤ **Requirement regarding unlisted subsidiary**

i. Financial Statement of Unlisted Subsidiary company

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

ii. Minutes of Unlisted Subsidiary company

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.

iii. Significant Transactions/Arrangements of Unlisted Subsidiary Company

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 or Arrangements entered into by the unlisted subsidiary.

➤ **Requirement regarding material subsidiary**

i. Restriction on Disposal of Shares of Material Subsidiary by the Company

The Company shall not dispose of the shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease to exercise control over the subsidiary without passing a special resolution in its 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 within one day of the resolution plan being approved

ii. Restriction on Disposal of Assets of Material Subsidiary

The Company shall not sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without the prior approval of its shareholders by



way of special resolution, unless the sale/disposal/lease 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

4. REPORTING AND DISCLOSURE

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

5. COMPLIANCE RESPONSIBILITY

The Company Secretary and Compliance Officer shall ensure the compliance of this Policy and shall have the power to ask for any information or clarifications from the management in this regard.

6. DISCLOSURE OF EVENTS OR INFORMATION

The Company shall disclose all events or information with respect to subsidiary, which are material for the Company as per Regulation 30(9) of the Listing Regulation.

7. PRECEDENCE

In case of any subsequent changes in the provisions of the SEBI Listing Regulations, Companies Act, 2013 or any other regulations, which makes any of the provisions in the Policy inconsistent with the SEBI Listing Regulations, Companies Act, 2013 or such other regulations, such provisions of the SEBI Listing Regulations, Companies Act, 2013 or such other regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.