

Policy for determining 'Material' subsidiaries

1. Purpose :

The Policy for determining 'material' subsidiary companies had been framed in accordance with the provisions of clause 49(V)(D) of the Listing Agreement and has been updated in accordance with Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

2. Definitions:

- a) **'Act'** means Companies Act, 2013 and Rules made thereunder, including any amendments or modifications thereof.
- b) **'Board'** means the Board of Directors of Indoco Remedies Limited.
- c) **'Independent Director'** means a director of the Company who satisfies the criteria for independence as prescribed by Section 149(6) of the Companies Act, 2013 as also the provisions of the Listing Agreement related to Independent Directors.
- d) **'Policy'** means this Policy as amended from time to time.
- e) **'Subsidiary'** shall mean a subsidiary as defined under Section 2(87) of the Companies Act, 2013 and Rules made thereunder.
- f) **'Material Subsidiary'** means if in the immediately preceding Financial Year
 - a. the networth of the subsidiary, exceeds 20 per cent of the consolidated net worth of Indoco or
 - b. if the income of the subsidiary exceeds 20 per cent of the consolidated income of Indoco
- g) **'Material non-listed Indian Subsidiary'** means an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) in the immediately preceding Financial Year exceeds 20% of the consolidated income or net worth of Indoco.

3. Governance framework:

- a) At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary, incorporated in India.
- b) The management shall present to the Audit Committee annually the list of such subsidiaries. The Audit Committee shall review the same and make suitable recommendations to the Board.
- c) The Minutes of the Board Meeting of Unlisted subsidiary companies shall be placed before the Board of the Company
- d) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- e) The management shall 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 company.

4. Disposal of Material Subsidiary:

The Company shall not except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal under the Companies Act, 2013 or rules made thereunder without passing a 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 50%; or
- sell, dispose and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year.

5. Scope and Limitation:

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder and the Listing Regulations, the provisions of the Companies Act, 2013/Rules, SEBI Act/Rules and Regulations and the Listing Regulations shall prevail.

6. Policy Review:

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory requirements.