

## POLICY FOR DETERMINING MATERIAL SUBSIDIARY

### **1. OBJECTIVE:**

- A. The objective of the Policy is to determine the Material Subsidiaries of Excel Realty N Infra Limited (hereinafter referred as “the Company”) and to ensure governance of Material Subsidiary companies.

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling / disposing / leasing of assets of such subsidiaries by the Company.

- B. The Policy is framed in accordance with the requirement of the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any amendments or re-enactment thereof).
- C. The Company is required to disclose the Policy on its website and a web link thereto shall be provided in the Annual Report.

### **2. DEFINITIONS:**

All the words and expressions used in this policy shall have the meanings respectively assigned to them under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per Companies Act, 2013 and rules and regulations made thereunder.

### **3. GOVERNANCE FRAMEWORK:**

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

For the purposes of this requirement, the term “material subsidiary” means a subsidiary, whose income or net worth exceeds 20 percent (20%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding

accounting year

- B. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- C. The Minutes of the meetings of the Board of Directors of the unlisted subsidiaries shall be placed on a quarterly basis at the Board Meeting of the Company.
- D. The management of the unlisted subsidiary shall on a quarterly basis bring to the attention of the Board of Directors of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiaries.

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

The Company without the prior approval of the members by special resolution, shall not:

- A. Dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other Subsidiaries) to less than or equal to 50%; or
- B. Ceases the exercise of control over the Subsidiary; or

This provision will not be applicable in case 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- C. Sell, dispose or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved

#### **5. AUDIT OF MATERIAL SUBSIDIARY:**

- A. Every Company 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, with effect from the year ended March 31, 2019.
- B. Statutory auditor of material subsidiary shall comply with SEBI circular dated October 18, 2019.

## **6. MISCELLANEOUS:**

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

Material Subsidiary of the Company would be identified, if any, as one time exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit Committee and the Board of the Company. The identification should happen soon after preparation of annual accounts and the outcome should be placed before the Audit Committee or Board, as the case may be, in the meeting where the annual audited accounts of the Company are considered.

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

In the event of any conflict between the provisions of this Policy and the SEBI LODR Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI LODR Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

*Last amended: January 10, 2023*