



Executive Centre India Limited

Policy for determining material subsidiary

Contents

1. Introduction	3
2. Objective	3
3. Definitions	3
4. Identification of material subsidiary	4
5. Governance framework	4
6. Disposal of material subsidiary	4
7. Review and amendments	5

Document version: 1.0
Approved by: Board of Directors
Date of approval: December 01, 2025
Date of amendment: -

1. Introduction

The Policy for determining material subsidiary (“**Policy**”) has been framed in accordance with Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable provisions (including any statutory enactments or amendments thereof).

The Policy shall be effective from the date of listing of equity shares of the Executive Centre India Limited (“**Company**”).

2. Objective

The objective of this Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries and for unlisted subsidiaries.

3. Definitions

3.1 “**Act**” means the Companies Act, 2013, rules framed thereunder and any amendments thereto.

3.2 “**Audit Committee**” shall mean a committee of Board of Directors of the Company constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 “**Board of Directors**” or “**Board**” shall mean Board of Directors of Executive Centre India Limited, as constituted from time to time.

3.4 “**Company**” or “**Listed Entity**” shall mean Executive Centre India Limited.

3.5 “**Independent Director**” means an independent director referred to in section 149(6) of the Companies Act, 2013, and / or Regulation 16(1)(b) of the SEBI Listing Regulations.

3.6 “**Material Subsidiary**” shall mean a subsidiary whose turnover or net worth exceeds ten (10) percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

3.7 “**Policy**” shall mean “Policy for determining material subsidiary” of the Company.

3.8 “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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.

3.9 “**Subsidiary**” shall mean subsidiary as defined under Section 2(87) of the Companies Act, 2013 and rules made thereunder.

3.10 “**SEBI Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.11 “**Unlisted Material Subsidiary**” implies a Material Subsidiary of the Company as under Regulation 16(1)(c) of the SEBI Listing Regulations or as may be amended in the SEBI Listing Regulations from time to time and is not listed on any Stock Exchanges.

3.12 “**Unlisted Subsidiary**” means a subsidiary whose securities are not listed on any Stock Exchanges.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s) as

¹ The name of the “Company” changed from “**Executive Centre India Private Limited**” to “**Executive Centre India Limited**” pursuant to conversion of the Company from a Private Limited company to a Public Limited company effective from 04 June 2025.

amended from time to time.

4. Identification of material subsidiary

A subsidiary shall be a “Material Subsidiary” if any of the following conditions are satisfied:

- i. The net worth of the subsidiary exceeds 10 per cent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- ii. The turnover of the subsidiary exceeds 10 per cent of the consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year.

5. Governance Framework

a. Matter to be reviewed by the Audit Committee:

The Audit Committee shall, in line, review:

- the Financial Statements, in particular, the investments made by the Unlisted Subsidiary(ies).
- Utilization of loans and/ or advances from/investment in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.

b. Matter to be reviewed by the Board:

- The minutes of the meetings of the board of directors of the Unlisted Subsidiary(ies) shall be placed at the meeting of the Board of Directors of the Company for their review and consideration.
- The management of the Unlisted Subsidiary shall periodically bring to the notice of the Board, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary.

c. Appointment of Independent Director:

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

Notwithstanding anything contrary contained in this Policy, for the purpose of this clause i.e. Clause 5(c), the term “Material Subsidiary means subsidiary whose turnover or net worth exceeds twenty (20%) percent of the consolidated turnover or net worth respectively, of the Listed Entity and its subsidiaries in the immediately preceding accounting year.

- d. Unlisted Material Subsidiary(ies) incorporated in India shall undertake secretarial audit by a secretarial auditor who shall be a peer reviewed Company Secretary and shall annex a secretarial audit report in such form as specified, with the annual report of the Listed Entity.
- e. The listed entity shall disclose all events or information to the stock exchange(s) with respect to subsidiaries which are material for the listed entity in accordance with the Policy for determination of material events and information adopted by the Board.

6. Disposal of material subsidiary

- a. The Company shall not dispose of shares in its Material Subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to Fifty Percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such divestment is made under a Scheme of Arrangement duly approved by 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 (1) day of the Resolution Plan being approved.

- b. 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 shall require prior approval of 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 (1) day of the Resolution Plan being approved.

Provided this clause shall not be applicable if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the Company.

7. Review and amendments

In the event of any conflict between the statutory enactments (as may be periodically amended) and the provisions of this Policy, the statutory enactments shall prevail, and this Policy shall be modified in due course to make it consistent with law.
