

CYQURE INDIA PRIVATE LIMITED
POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES

1. LEGAL FRAMEWORK

According to Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI LODR**”), Corporate Governance provisions contained in regulation 16 to regulation 27 shall also apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above (a **High Value Debt Listed Entity**).

Regulation 16(1)(c) of the SEBI LODR requires that “the listed entity shall formulate a policy for determining ‘material’ subsidiary.

Further, Regulation 24 of **SEBI LODR** extends certain principles of Corporate Governance to Material Subsidiaries of listed companies.

2. PURPOSE OF THE POLICY

Besides determining the Material Subsidiaries and disclosure thereof as required by SEBI LODR and any other Laws and Regulations as may be applicable to the Company, the Policy on Material Subsidiaries (this “**Policy**”) intends to ensure governance of Material Subsidiaries by complying with Directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions or arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such Subsidiaries by the Company.

3. DEFINITIONS

“**Act**” means Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.

“**Audit Committee**” means the Audit Committee of the Board which is constituted under the provisions of Section 177 of the Act or Regulation 18 of SEBI LODR.

“**SEBI LODR**” means the regulations as contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment or modification thereof.

“**Consolidated Turnover**” means the total turnover of the Company and its Subsidiaries.

“**Holding Company**” in relation to one or more other companies, means a company of which such companies are Subsidiary companies.

“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 SEBI LODR.

“Material Subsidiary” means a Material Subsidiary as defined under Regulation 16(1)(c) of SEBI LODR.

Under Regulation 16(1)(c) of SEBI LODR, A Subsidiary shall be considered as Material subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of the Listed entity and its subsidiaries in the immediately preceding accounting year.

“Net Worth” shall mean the net worth as defined in Section 2(57) of the Companies Act 2013.

“Subsidiary Company” or ***“Subsidiary”*** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013

3. PRINCIPLES

Identification of "Material Subsidiary" of the Company including any:

- Material Non-listed Indian /Foreign Subsidiary
- Material Subsidiary

shall be a one-time exercise and such exercise shall be done during each financial year and the conclusion shall be placed before the Audit Committee and the Board of the Company.

PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

The Chief Financial Officer, and in the absence of CFO, the person in charge of finance, of the Company will be responsible for monitoring and determining which of the Subsidiaries falls within the definition of Material Subsidiary /Material Non-listed Indian /Foreign Subsidiary.

Monitoring of investments made by the Company in the Subsidiaries for the purpose of determining the Materiality of the Subsidiary shall be done whenever such an investment is made. Monitoring the quantum of generation of consolidated turnover of Company will be done at the time of finalizing the consolidated annual accounts of the Company.

4. INDEPENDENT DIRECTOR ON THE BOARD OF UNLISTED MATERIAL SUBSIDIARY INCORPORATED IN INDIA OR OVERSEAS

Under Regulation 24(1) of SEBI LODR, at least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material

Subsidiary, whether incorporated in India or overseas. For this purpose, “Material subsidiary” shall have the same meaning as given in Explanation to Regulation 24(1) of SEBI LODR i.e. a subsidiary whose Turnover or Net Worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated Turnover or Net Worth respectively, of the listed Holding Company and its subsidiaries in the immediately preceding accounting year.

5. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

Under Regulation 24(5) of SEBI LODR, Company shall not dispose 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 50% or cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a Court or Tribunal or it has previously been approved by the Board for “Disinvestment”.

6. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Under Regulation 24(6) of SEBI LODR, Company shall not sell, dispose and lease assets amounting to more than 20 % of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution in its General Meeting, unless the sale or disposal or lease is made under a scheme of arrangement duly approved by Court or Tribunal.

7. COMPLIANCE BY STEP DOWN SUBSIDIARIES

Where the Company has a listed Subsidiary which is itself a Holding Company, this Policy shall apply to the listed Subsidiary insofar as its Subsidiaries are concerned. The Secretarial Audit Report for Material subsidiary to be annexed with the holding Company.

8. DISCLOSURES

As prescribed by revised Clause 62(1A)(h) of the SEBI LODR this Policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the annual report.

9. AMENDMENT OR REVIEW

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary, or as per any regulatory amendments.

[As approved by the Board on Feb 10, 2025]
