

**POLICY FOR  
DETERMINING MATERIAL SUBSIDIARIES**

**WAISL LIMITED**

## **PREAMBLE**

Regulation 16 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR Regulations], requires a listed company to frame a policy for determining a “material” subsidiary, which shall be hosted on the website of the Company and the web link of the same is to be disclosed in the section titled as ‘Corporate Governance Report’ of the Annual Report of the Company.

This Policy shall be called ‘Policy for Determining Material Subsidiaries’ of WAISL Limited (herein referred to as “WAISL” or “Company”). This Policy shall be effective from November 13, 2023.

## **OBJECTIVE**

This Policy lays down the criteria for determining and dealing with Material Subsidiary of WAISL.

## **DEFINITIONS:**

**i. SUBSIDIARY COMPANY OR SUBSIDIARY:** As per Section 2(87) of the Companies Act, 2013, a 'subsidiary company' or 'subsidiary', in relation to any other company (that is to say the holding company), means a company in which the holding company—

(i) controls the composition of the Board of Directors; or

(ii) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation — For the purposes of this clause—

(a) A company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company.

(b) Composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors.

(c) “Company” includes any body corporate.

(d) “Layer” in relation to a holding company means its subsidiary or subsidiaries.

## **CRITERIA FOR DETERMINING MATERIALITY OF SUBSIDIARIES**

A subsidiary of WAISL shall be considered 'material' if the income or net worth of the concerned subsidiary exceeds 10% of the consolidated income or net worth respectively, of WAISL and its subsidiaries, in the immediately preceding accounting year.

Further, WAISL 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 50% or cease the exercise of 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.

Further, selling, disposing and leasing of assets amounting to more than twenty percent 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 day of the resolution plan being approved.

### **COMPLIANCES UNDER REGULATIONS**

In terms of Regulation 24 of SEBI (LODR), the Company shall make the following compliances in connection with the subsidiary:-

- A) The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- B) 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.
- C) 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 and Arrangements entered into by the unlisted subsidiary.
- D) 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, incorporated in India. Only for the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16(1)(c), the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

### **POWER TO AMEND**

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.