

AccelerateBS India LIMITED
(Formerly known as AccelerateBS India Private Limited)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Approved by the Board of Directors on April 20, 2023

AccelerateBS India LIMITED

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1. INTRODUCTION

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), AccelerateBS India Limited ("the Company") has formulated this policy for determining material subsidiary of the Company ("Policy").

Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy by the Board or relevant committee of the Board.

2. SCOPE AND EXCLUSION

This Policy sets out the criteria for determining material subsidiary / subsidiaries of the Company.

A subsidiary shall be considered as "material subsidiary" if its income or net-worth exceeds ten percent of the consolidated income or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. Definitions

"Act" means Companies Act, 2013 and Rules made thereunder.

"Audit Committee or Committee" means Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.

"Board of Directors" or "Board" means the Board of Directors of Company, as constituted from time to time.

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"Independent Director" means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.

"Management" means the Senior Management and Key Managerial Personnel of Company.

"Material Subsidiary" shall mean a subsidiary, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

“Policy” means policy on Material Subsidiary.

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

“Subsidiary” means subsidiary company as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder.

“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized stock exchanges

4. POLICY

- a) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- b) The minutes of the meetings of the Board of Directors (“Board”) of the unlisted subsidiary shall be placed at the meeting of the Board of the Company.
- c) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary.
- d) The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- e) At least one independent director on the Board of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 of SEBI Listing Regulations, 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.

- f) The Company’s 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, in such form as may be specified.
- g) The Company shall not without the prior approval of the Shareholders by way of Special resolution:
 - (i) Dispose of shares in its material subsidiary resulting in reduction of 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 except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal/Company Law Board 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.
 - (ii) Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board 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.

- h) Other Compliances as applicable with respect to such Material Subsidiary(ies) shall be in accordance with the Listing Regulations and other applicable laws, if any, for the time being in force and as amended from time to time.

5. COMMUNICATION AND DISSEMINATION OF THE POLICY

For all employees and Directors, a copy of this Policy shall be posted on the website of the Company. The web link of the 'Policy for Determining Material Subsidiaries' shall be disclosed in the Corporate Governance Report that would be a part of the Company's Annual Report.

6. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.