



# **POLICY FOR DETERMINING THE MATERIAL SUBSIDIARIES**

*(Reviewed by the Board at its meeting held on 04<sup>th</sup> February 2022)*

## I. PREAMBLE

Alphageo (India) Limited (AGIL or Company), being a Listed Company is also governed by the rules and regulations issued by Securities and Exchange Board of India (SEBI). As per regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereafter "Regulations") the Company is required to form a Policy to determine the Material Subsidiary of a Listed Company.

This policy is framed to determine the Material Subsidiaries of the Company and provide the governance framework for such subsidiaries.

## II. DEFINITIONS

The terms defined in this Policy shall have the meanings here in specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 ('Act') and Regulations of SEBI (LODR) Regulation, 2015 including any statutory modifications or reenactments thereof.

**"Act"** means the Companies Act, 2013 including any statutory modification or re-enactment thereof;

**"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulation, 2015;

**"Board of Directors"** or **"Board"** means the Board of Directors of Alphageo (India) Limited, as constituted from time to time;

**"Company"** means Alphageo (India) Limited;

**"Group"** means Alphageo (India) Limited and its Subsidiary Companies;

**"Independent Director"** means an independent director referred to in sub-section (6) of Section 149 of the Act and appointed as such;

**"Policy"** means Policy for determining Material Subsidiary (ies) of the Company amended from time to time;

**"Subsidiary"** means a Subsidiary Company as defined in Section 2(87) of the Act;

**"Material Subsidiary"** material subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. as per Regulation 16(1)(c) of SEBI (LODR) Regulation, 2015 as amended time to time

**“Significant transaction or arrangement”** significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 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.;

**“Recognised Stock Exchange”** means a recognised stock exchange as defined in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

**"Securities"** means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

### **III. POLICY AND PROCEDURE:**

1. The Management will identify the Subsidiary Company (ies) of the Company which fulfils the conditions laid down in Section 2(87) of the Companies Act, 2013 on periodic basis.
2. The Audit Committee of the Board of Director of the Company shall review the financial statements including the investments made by all subsidiaries of the Company.
3. 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 listed entity.
4. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
5. At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary (*material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year*), whether incorporated in India or not.
6. A listed entity shall not 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 fifty percent 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
7. 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

**IV. DISCLOSURES:**

The Company shall disclose in its Board's Report, details of this Policy as required under the Act and the Regulation. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's Report

**V. LIMITATION AND AMENDMENT:**

In the event of any conflict between the provisions of this Policy and of the Act or the Regulation, or any other statutory enactments, rules, the provisions of such Act or the Regulation or Statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/ modification in the Regulation, Act and/ or applicable laws in this regard shall automatically apply to this policy.

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