

# **INNOVA CAPTAB LIMITED**

## **POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES**

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| Approving Authority     | Board of Directors of the Company          |
| Initial Version & Date  | (Version 1.0) & 19 <sup>th</sup> June 2022 |
| Revision Version & Date | (Version 2.0) & 29 <sup>th</sup> May 2024  |

## **1. INTRODUCTION**

The Board of Directors (the "Board") of Innova Captab Limited (the "Company"), has adopted this policy for determination of "Material Subsidiaries". The Board may review and amend this policy from time to time. This Policy is formulated in compliance with the requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The primary objective of this policy is to determine material subsidiaries of the Company. The Board had approved this Policy at its meeting held on 19 June 2022 and amended on 29<sup>th</sup> May 2024.

## **2. DEFINITIONS**

"**Audit Committee**" or "**Committee**" means Audit Committee constituted by the Board of Directors of the Company.

"**Board of Directors**" or "**Board**" means the Board of Directors of Innova Captab Limited, as constituted from time to time.

"**Company**" means Innova Captab Limited.

"**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 Innova Captab Limited as per Companies Act 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

"**Policy**" means this policy on determination of Material Subsidiaries.

"**SEBI Listing Regulations**" means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"**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.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.

## **3. SCOPE & APPLICABILITY**

As per Regulation 16(1)(c) of the SEBI Listing Regulations, the Subsidiary shall be considered as "Material" if its income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

In case if the company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

#### **4. GOVERNANCE FRAMEWORK**

1. 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, whether incorporated in India or not.

Explanation- For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 of the Listing Regulations, 2015, 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

2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
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 Company.
4. 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 or Arrangements entered into by the unlisted subsidiary.
5. The management shall present to the Audit Committee periodically, 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.
6. 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.
7. The Company shall not without the prior approval of the Shareholders by way of Special resolution:
  - a. Dispose off 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 / 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.
  - b. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year, 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Other Compliances 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. DISCLOSURES**

This Policy shall be disclosed on the Company's website <http://www.innovacaptab.com/> and a web link thereto shall be disclosed in the Annual Report of the Company.

## **6. AMENDMENTS TO THE POLICY**

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not 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.

## **7. SCOPE AND LIMITATION**

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.