

POLYCAB

POLYCAB INDIA LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

<i>Particulars</i>	<i>Date</i>	<i>Version</i>
<i>Policy adopted</i>	<i>September 20, 2018</i>	<i>1.0</i>
<i>Policy revised and approved</i>	<i>January 22, 2025</i>	<i>1.1</i>

1 TITLE

This policy shall be called the 'Policy for determining Material Subsidiaries' ("Policy").

2. INTRODUCTION

The Board of Directors ("Board") of Polycab India Limited ("Company") has adopted the following policy and procedures with regard to determination of "Material Subsidiaries" in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

3. DEFINITIONS

- 3.1 "Audit Committee" Audit Committee means the committee formed under Section 177 of the Companies Act by the Board of the Company, from time to time.
- 3.2 "Companies Act" means the Companies Act, 2013 read with the rules thereunder, as amended.
- 3.3 "Independent Director" means an independent director referred to in Section 149(5) of the Companies Act, 2013.
- 3.4 "Material Subsidiary" means a Subsidiary which shall be considered as Material Subsidiary if it fulfils the conditions for being classified as Material Subsidiary as mentioned in this Policy.
- 3.5 "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 financial year.
- 3.6 "Subsidiary" means a subsidiary as defined under the Companies Act and rules made thereunder.

4. POLICY

- 4.1 A subsidiary shall be considered as Material Subsidiary, if any of the following conditions are satisfied:
- (a) net-worth exceeds 10% of the Company's consolidated net-worth in the immediately preceding accounting year; or
 - (b) turnover exceeds 10% of the Company's consolidated turnover in the immediately preceding accounting year.
- 4.2 Material Non Listed Indian Subsidiary shall mean a subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

A list of such material subsidiaries and material Non Listed Indian Subsidiaries if any, shall be presented to the Audit Committee annually for its noting

5. REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or;
- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or

(except in cases where the 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) ;

- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year, unless in cases where 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

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.**

6. ADDITIONAL REQUIREMENT FOR UNLISTED MATERIAL SUBSIDIARY

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 not.

For the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

7. REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY:

•The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

. •The minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board Meeting of the Company.

•The Management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

8. REVIEW & AMENDMENTS

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant regulation and remains effective.

Any subsequent amendment / modification in the SEBI Listing Regulations or any other governing Act / Rules / regulations or re-enactment, circulars or clarification(s), impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

9. IMPLEMENTATION

The policy shall be implemented as per the provisions of SEBI (LODR) as may be amended from time to time.