

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

Effective : 14<sup>th</sup> August, 2023

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

*[Pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

### 1. Preamble

The Board of Directors (the “Board”) of Gabriel India Limited (the “Company” or “GIL”), has adopted the following policy and procedures for determining material subsidiaries (‘Policy’).

### 2. Objective

The Objective of the Policy is to determine the ‘Material Subsidiaries’ of the Company and to provide the governance framework for such subsidiaries, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the circulars issued thereunder and amendments thereto. [‘SEBI Listing Regulations’].

### 3. Scope

The Company shall mandatorily comply with the following requirements, more particularly described under Clause 5 to 9 of the Policy, as prescribed in Regulation 24 of SEBI Listing Regulations:

- Appointment of Independent Director of GIL on the Board of unlisted Material Subsidiaries
- Restriction on disposal of shares of a Material Subsidiary
- Restriction on transfer of assets of a Material Subsidiary
- Secretarial audit by Material unlisted Subsidiaries incorporated in India; and
- Disclosure requirements as prescribed under the SEBI Listing Regulations

### 4. Definitions

**“Act”** means the Companies Act, 2013 and the rules made thereunder (including any statutory modification/re-enactment thereof for the time being in force).

**“Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

**“Material subsidiary”** means, unless otherwise expressly defined, a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

**“Subsidiary”** shall have the same meaning as defined under Section 2(87) of the Act.

Any other term not defined herein, shall have the same meaning ascribed to it under the Act, the SEBI Listing Regulations or any other relevant law / regulation applicable to the Company.

## **5. Independent Director on the Board of an Unlisted Material Subsidiary**

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.

Such compliance shall continue till the unlisted Material Subsidiary is a Subsidiary of the Company.

**For the purposes of this provision**, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI Listing Regulations, the term “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

## **6. Restrictions on disposal of shares of a Material Subsidiary**

The Company 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 (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.

## **7. Restriction on transfer of assets of a Material Subsidiary**

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of a Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company 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.

**8. Secretarial Audit by Material Unlisted Subsidiaries incorporated in India**

The Material unlisted Subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report, given by a company secretary in practice, in such form as may be specified with its Annual Report of the Company.

**9. Disclosures**

As required under the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website viz. <https://www.anandgroupindia.com/gabrielindia/> and a web link thereto shall be provided in the Annual Report.

**10. Review of the Policy**

This Policy shall be subject to review as may be deemed necessary or in accordance with any regulatory amendments which affect the said policy, and if found essential, may amend this policy from time to time.

**11. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the SEBI Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.

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