

POLICY ON MATERIAL SUBSIDIARIES

Applies to	GTPL Hathway Limited
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Issuing Authority	Board of Directors of the Company
Content Owner	Corporate Secretarial

1. Introduction

The Securities market regulator Securities and Exchange Board of India (SEBI) has put in place Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as "**Listing Regulations**") requires the listed entity to formulate a policy for determining Material Subsidiary.

In compliance with the aforesaid provisions of Listing Regulations, GTPL Hathway Limited (the "**Company**") has formulated and adopted the Policy on Material Subsidiaries.

2. Policy Objective

The Policy shall be used to determine the Material Subsidiaries of the Company and to provide the corporate governance for such subsidiaries.

3. DEFINITIONS

"**Act**" shall mean the Companies Act, 2013 as may be amended from time to time together with the rules framed thereunder.

"**Audit Committee or Committee**" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Regulations and the Act.

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

"**Company**" means GTPL Hathway Limited.

"**Control**" shall have the same meaning as defined in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"**Independent Director**" means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and Listing Regulations.

"**Policy**" means Policy on Material Subsidiaries.

"**Material Subsidiary**" shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

"**Material Unlisted Indian Subsidiary**" shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

"**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.

"**Subsidiary**" shall mean a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy

- I. A Subsidiary shall be considered as "Material Subsidiary", if any of the following conditions are satisfied:
 - A. the net worth of the subsidiary, exceeds 10 per cent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
 - B. if the turnover of the subsidiary exceeds 10 per cent of the consolidated turnover of the Company and its Subsidiaries in the immediately preceding accounting year.
- II. At least One **Independent Director** of the Company shall be a director on the Board of every unlisted material subsidiary, whether incorporated in India or not.

For the purpose of this clause, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- III. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by every Unlisted Subsidiary Company on an annual basis.

- IV. The minutes of the meetings of the board of directors of unlisted subsidiary shall be placed before the Board of the Company periodically.
- V. The management of every unlisted subsidiary 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.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- I. dispose of shares in any Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or which would result in the cessation of the exercise of control by the Company 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved; or
- II. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, except in cases where such 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.

6. Disclosures

The Policy for determining material subsidiaries is to be disclosed on the company's website and a web link thereto to be provided in the Annual Report of the Company.

7. Limitation and Amendment

Any subsequent amendment / modification in the Listing Regulations or any other governing Act / Rules / regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.