



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Prithvi Exchange (India) Limited

Effective from: 06.08.2022

Amended on : 14.02.2025

INTRODUCTION

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires every listed Company to formulate a policy for determining material subsidiaries. This Policy of determining material subsidiaries ("the Policy") is framed in context of the above statutory requirement and to put in place an appropriate framework for this purpose by Prithvi Exchange (India) Limited ("the Company"). All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations, and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made / issued thereunder, as amended, from time to time.

DEFINITIONS

- a. "Audit Committee or Committee" means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations and the Companies Act, 2013, from time to time.
- b. "Board" means the Board of Directors of Prithvi Exchange (India) Limited.
- c. "Company" means Prithvi Exchange (India) Limited.
- d. "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- e. "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.
- f. "Management" means the Senior Management and Key Managerial Personnel of Prithvi Exchange (India) Limited.
- g. "Policy" means this Policy, as amended from time to time.
- h. "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 material unlisted subsidiary for the immediately preceding accounting year.
- i. "Subsidiary" means subsidiary company as defined under section 2(87) of the Companies Act, 2013 and the rules made thereunder. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable regulations.

SCOPE & APPLICABILITY

- a. A subsidiary shall be considered as "material" 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.
- b. In case if a listed holding company has a listed subsidiary, the policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

COMPLIANCES

- a. 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, whether incorporated in India or not.
- b. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.

- d. The management of the unlisted subsidiary should 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.
- e. The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 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.
- f. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary 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.
- g. Such other compliances as may be stipulated under the Listing Agreement from time to time.

AMENDMENTS

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement or any other relevant legislation / law applicable to the Company