



ArMee Infotech Limited

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Policy
on determining “Material” Subsidiaries

(Policy on Determining “Material” Subsidiaries has been approved in the Board Meeting dated 3rd May 2024)



1. PREAMBLE:

Policy for determining material subsidiaries (“the Policy”) is prepared pursuant to requirements of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) The objective of the Policy to determine material subsidiaries of the Company and to provide governance framework for subsidiaries.

This policy shall come into effect from the date of listing of equity shares of the company on the stock exchanges.

2. PHILOSOPHY/ OBJECTIVE:

ArMee Infotech Limited (hereinafter referred to as “the Company”) has investments in subsidiaries. This Policy shall apply for determining whether a subsidiary is a material subsidiary of the Company.

3. DEFINITIONS:

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**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 Companies Act, 2013 or under any previous Companies Act.

“**Board of Directors**” or “**Board**” means the collective body of the Board of Directors of the Company, as constituted from time to time.

“**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 Companies Act, 2013 and the Listing Regulations.

“**Listing Regulations/ SEBI LODR**” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“**Policy**” means Policy on Material Subsidiary.

“**Material Subsidiary**” shall mean a subsidiary, **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.

“**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**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

Words and expressions used and not defined herein shall have the meaning respectively assigned to them under the Listing Regulation / Companies Act 2013 or other applicable laws.



4. POLICY:

- 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;

For the aforementioned purposes, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- b) The Audit Committee shall 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 Companies shall be placed before the Board meetings of the Company;
- d) The management of the unlisted subsidiary shall on periodical basis bring to the attention of the Board of the listed entity, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company;
- e) The management shall present to the Audit Committee annually the list of all subsidiaries together with the details of Material Subsidiary, if any, as defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of at least one Independent Director on the Board of Material Unlisted Indian Subsidiary;
- f) The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and annex with its Annual Report, a secretarial audit report, given by a company secretary in practice.
- g) The Company shall disclose all events or information with respect to subsidiaries, which are material for the Company.

5. DISPOSAL OF SHARES/ASSETS IN MATERIAL SUBSIDIARY:

- a) 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 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.
- b) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year 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, 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. POLICY APPROVAL AND UPDATES:

The Key management personnel’s (KMPs) or the person authorised by the Board may review this Policy from time to time. Any material changes to this Policy shall require prior



approval of the Board. In case of any inconsistency between the terms of this Policy, Listing Regulations & Companies Act, 2013 the provisions of the Listing Regulations & Companies Act, 2013 shall prevail.

If there are any amendments in the applicable laws, then those amendments would prevail over this Policy.

7. DISCLOSURE:

This Policy shall be disclosed on the website of the Company
