

ENDURANCE TECHNOLOGIES LIMITED

CIN: L34102MH1999PLC123296

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES*

1. Purpose

Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”), mandates formulation of a policy for determining ‘material subsidiary’.

In view of the foregoing provision and other applicable regulations of the Listing Regulations, this policy defines the materiality of subsidiary(ies) and also intends to ensure its/ their governance on defined parameters, as required under the regulatory framework.

2. Policy

A subsidiary shall be considered as a Material Subsidiary for all purposes under the Listing Regulations, except for the purpose as stated in Clause 3(b) below, if its income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. Governance framework

- a. The Board of Directors will determine and will verify whether the subsidiary of the Company is ‘Material’ as specified in Clause 2 above after the end of each financial year.
- b. At least one Independent Director of the Company shall be a director on the Board of its unlisted material subsidiary, whether incorporated in India or not.

For this purpose, a subsidiary shall be considered material, if its income or net worth exceeds twenty percent of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- c. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- d. The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meeting of the Company.
- e. A statement of all such individual transactions and arrangements, entered into by the unlisted subsidiary(ies), that is likely to exceed ten percent of:
 - i. the total revenues; or
 - ii. total expenses; or
 - iii. total assets; or
 - iv. total liabilities,as the case may be, of the unlisted subsidiary(ies) for the immediately preceding accounting year, shall be presented for noting by the Board, at its meetings where half-yearly and annual accounts are placed for approval.

- f. The Company shall not, without the prior approval of the shareholders in General Meeting, by way of special resolution:
- i) dispose of the shares held in material subsidiary(ies) which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or
 - ii) dispose of the shares held in material subsidiary(ies) which would cease the exercise of control over the subsidiary; or
 - iii) Sell, dispose of and/ or lease assets amounting to more than twenty percent of the assets to the material subsidiary on an aggregate basis during a financial year
- unless in cases where the disinvestment/ sale /disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

4. The Audit Committee shall review this Policy and make recommendations to the Board of Directors of the Company to amend this Policy as it may be deemed appropriate and in accordance with any regulatory changes.

5. Disclosure

This Policy shall be placed on the Company's website and a web link shall be provided in the annual report.

===== *End of Policy* =====