



**SAHAJANAND MEDICAL TECHNOLOGIES LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY COMPANIES**

<b>Name</b>	Policy for determining Material Subsidiary Companies
<b>Approval Date</b>	May 29,2025
<b>Version</b>	Version 1
<b>Effective date of the Policy</b>	May 29,2025



## Introduction

The Board of Directors ("**the Board**") of Sahajanand Medical Technologies Limited ("**the Company**") have adopted this Policy for determining material subsidiary(ies) of the Company in accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulations**").

## Purpose & Scope

The objective of this Policy is to lay down guidelines for determining which of the subsidiary companies are a Material Subsidiary in terms of the Listing Regulations with a view to provide the governance framework in relation to such Material Subsidiary(ies).

## Definitions & Interpretations

All the words and expressions used herein and not defined shall have the same meaning as ascribed to them in the Companies Act, 2013 ("**Act**"), Listing Regulations, Securities and Exchange Board of India Act, 1992 ("**SEBI Act, 1992**"), as amended or rules and regulations made thereunder and any other relevant legislation applicable to the Company.

## Determining Material Subsidiary

The Subsidiary shall be considered as Material Subsidiary, if its turnover or net-worth exceeds 10% (ten percent) of the consolidated turnover or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

## Governance Framework

1. 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.

For this purpose, Material Subsidiary shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2. The audit committee of the Company shall also review the financial statements, particularly the investments made by the unlisted subsidiary.
3. The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.



4. The management of 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 company.

For this purpose, Significant Transaction or Arrangement shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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.

5. The Company shall disclose to the stock exchanges all events or information in relation to its subsidiaries which are material in terms of its “Policy for Determination of Materiality of events or Information”.

#### **Disposal of Material Subsidiaries**

1. 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases of 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.
2. The Company shall not sell, dispose and lease assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year without obtaining 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.

Nothing contained above shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

#### **Secretarial Audit & Secretarial Compliance Report**

Material unlisted Subsidiary(ies) incorporated in India shall undertake secretarial audit by a secretarial auditor who shall be a peer reviewed company secretary and shall annex a secretarial audit report with the annual report of the Company.

#### **Disclosure**

The Policy shall be uploaded on the website of the Company at [www.smtpl.com](http://www.smtpl.com) and the web link thereto shall be provided in the Annual Report.



### **Policy Review**

- i) This Policy is framed based on the provisions of the Listing Regulations. In case of any subsequent changes in the provisions of the Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Listing Regulations, then the provisions of the Listing Regulations would prevail over the Policy.
- ii) Any change, amendment, or addition to this Policy shall require prior approval of the Board. However, the Company Secretary is authorized to make amendments to this Policy to give effect to any changes or amendments notified by Ministry of Corporate Affairs and the Securities and Exchange Board of India. Such amendments shall be placed before the Board for noting and ratification at its subsequent meeting.
- iii) The Company Secretary in coordination with Chief Financial Officer of the Company shall review this Policy periodically and recommend any proposed changes to the Board for approval.

### **Scope and Limitation**

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

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