

# **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

## **PURPOSE:**

The purpose of this policy is to lay down criteria for identification and dealing with Material subsidiary(ies) and to formulate a governance framework for subsidiary(ies) of Omkar Overseas Limited.

## **DEFINITIONS:**

- a. **Company**” means **Omkar Overseas Limited**.
- b. **Board**” shall mean Board of Directors of **Omkar Overseas Limited**.
- c. **Turnover**” shall mean turnover in terms of Section 2(91) of the Companies Act, 2013.
- d. **Subsidiary Company or Subsidiary**” means a subsidiary company as defined under 2(87) of the Companies Act, 2013.
- e. **Material Subsidiary**” shall mean a subsidiary, whose turnover or net worth exceeds 10% percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- f. **Material Unlisted Subsidiary**” shall mean an unlisted subsidiary, whose turnover or net worth exceeds 10% percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- g. **Net Worth**” means net worth as defined under Section 2(57) of the Companies Act,2013

## **GOVERNANCE OF MATERIAL SUBSIDIARIES**

### **I. Review of the list of Material Subsidiaries**

The list of Material subsidiaries of the Company shall be placed before the Audit Committee for their review on an annual basis.

### **II. Disposal of shares or assets of Material Subsidiary**

- a. The Company shall not dispose of shares in any Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over such

subsidiary without passing a special resolution in its general meeting or through postal ballot.

- b. The Company shall not sell, dispose of or lease out assets amounting to more than 20% of the assets of any Material Subsidiary on an aggregate basis during the financial year without prior approval of shareholders by way of special resolution.

Provided that the provisions of Para II (a) & (b) shall not be applicable if the divestment or sale or disposal or 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.

### **III. Secretarial Audit**

All Material Unlisted Subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice who is competent to issue such report under applicable laws.

### **IV. Appointment of Independent Directors**

Based on the recommendations of the Nomination and Remuneration Committee of the Company, the Board shall nominate at least one independent director of the Company on the Board of the Material Unlisted Subsidiary.

For the purpose of the above provision "Material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

## **GOVERNANCE OF ALL SUBSIDIARIES:**

### **I. Matters to be reviewed by the Board of Directors**

- a. The minutes of the Board meetings of the Unlisted Subsidiaries.
- b. Statement of all significant transactions and arrangements entered into by the unlisted subsidiaries.
- c. A statement containing salient features of the financial statement of its

subsidiaries and associate companies (on an annual basis).

## **II. Matters to be reviewed by the Audit Committee**

- a. Financial statements of subsidiaries, in particular, the investments made by the unlisted subsidiaries.
- b. Utilization of loans and/ or advances from/investment in subsidiaries exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- c. Any transaction between the Company and its subsidiary(ies) shall be entered into in accordance with the policy on dealing with related party transactions of the Company.

### **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, or any other relevant legislation / law applicable to the Company. In case of any conflict between the law and the policy, the law shall prevail.

### **AMENDMENTS:**

The policy is a public document and shall be uploaded on the website of the Company. The Board shall have the power to amend the policy or replace the policy entirely with a new policy. However, the Company Secretary and Global Chief Financial Officer are jointly authorized provide clarifications or to amend the Policy to give effect to any changes / amendments notified by the Securities Exchange Board of India. Consequently, the policy shall be placed before the Board for their noting and ratification.

### **GENERAL:**

Where the terms of this Policy differ from any existing or newly enacted law, rule, or regulation, the law, rule or regulation will take precedence over this Policy from the effective date of such law, rule or regulation.

For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the MCA, SEBI and/or any other authority.