

MATERIAL SUBSIDIARY POLICY

(As amended and approved by the Board on February 03,2025)

RECORD OF REVIEW

VERSION	CREATED BY	REVIEWED BY	APPROVED BY	DATE
1	Compliance Officer	Chief Financial Officer	Board of Directors	01 February,2016
2	Compliance Officer	Chief Financial Officer	Board of Directors	27 May,2019
3	Compliance Officer	Chief Financial Officer	Board of Directors	03 February,2025

MATERIAL SUBSIDIARY POLICY

[Pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

BACKGROUND AND OBJECTIVES OF THE POLICY

The objective of the Policy is to determine ‘**Material subsidiary**’ of the company in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The policy shall be approved by the Board of Directors of the Company and also be disclosed on the Company’s website.

Accordingly, the Board of Directors of the Company has adopted this policy for determination of material subsidiary and also hosted on Company’s website: www.saksoft.com

DEFINITIONS

1.1 “**Act**” means the Companies Act, 2013.

1.2 “**Board of Directors**” or “**Board**” means the Board of Directors of Saksoft Limited, as constituted from time to time.

1.3 “**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

1.4 “**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.

1.5 “**Turnover or Net worth**” shall be as defined under Section 2(91) and Section 2(57) of Companies Act, 2013 respectively, of the company and its subsidiaries.

1.6 “**Material Subsidiary**” shall mean as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.7 “**Significant transaction**” or “**arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten per cent 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.

Words and expressions used in this policy shall have the same meanings respectively assigned to them in the Companies Act, 2013, LODR Regulations and / or any other applicable rule, regulations as the context may require.

POLICY

A subsidiary shall be considered as Material Subsidiary, if the Turnover or Net Worth of the subsidiary exceeds 10% of the consolidated Turnover or Net Worth of the Company and its subsidiaries in the immediately preceding accounting year.

MATERIAL SUBSIDIARY – COMPLIANCE REQUIREMENTS.

- 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.

Explanation- For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the term “**Material Subsidiary**” shall mean a subsidiary, whose Turnover or net worth exceeds twenty percent of the consolidated Turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- Every unlisted **Material Subsidiary** incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report, given by a Company Secretary in practice, in such form as specified, with the annual report of the Company.
- The Company, without obtaining the prior approval of the members by Special resolution, shall not:-
 - a. dispose the shares held in **Material Subsidiaries** which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or ceases the control over the **Material Subsidiary**.

Provided 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, such approval of members is not required;

- b. sell, dispose or lease of the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

Provided where such 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, such approval of members is not required.

Provided that Nothing in this Clause above shall be applicable if such sale, disposal or lease of assets is between two wholly - owned subsidiaries of the listed entity.

- The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- 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 listed entity.
- The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

AMENDMENTS TO THE POLICY

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

Unless required under the Act or Listing Regulations or other applicable regulations to be approved by the Board or Committee, all statutory amendments in the Act or Listing Regulations or other applicable regulations, shall be effective and binding even if such amendments are not incorporated in the Policy.

For administrative convenience, any change in the Policy shall be made by the Company Secretary in consultation with 'Chief Executive officer & Managing Director' or 'Chief Financial Officer'. Apart from administrative convenience and any statutory amendments, any material change that substantially impacts the implementation of the existing Policy shall be approved by the Board.