



# **ABANS HOLDINGS LIMITED**

(Formerly Known Abans Holdings Pvt. Ltd.)

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY (IES)**

(Adopted on 12th July, 2021)

### **Abans Holdings Limited**

(Formerly Known as Abans Holdings Pvt. Ltd.)

**CIN:** U74900MH2009PLC231660

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## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY (IES)**

### **I. PREAMBLE**

The Board of Directors (the “Board”) of the Company recognizes the importance of stakeholders’ interest and their trust in the Company. To uphold and to enhance this confidence, ensure transparency and to ensure governance of material subsidiary(ies) on defined parameters as required under the regulatory framework, the Board has adopted a policy for determining material subsidiary(ies) (the “Policy”). The Board will review and may amend this policy from time to time.

This Policy is framed keeping in fore the best interests of its stakeholders and the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and also the Companies Act, 2013 (the Act), as amended from time to time.

### **II. OBJECTIVE**

The objective of the policy is to:

- a) to determine the material listed subsidiaries and material unlisted Indian subsidiaries of the Company
- b) to provide the governance framework for such material subsidiary(ies) in a transparent and fair manner.
- c) Outline the procedures for identification, review, disclosure and reporting of such transactions.

### **III. DEFINITIONS**

“**Audit Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations.

“**Board**” means Board of Directors of the Company.

“**Company**” means “Abans Holdings Limited.”

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” (KMP) means

- a) Chief Executive Officer or the Managing Director or the Manager;
- b) Company Secretary and
- c) Chief Financial Officer.

“**Policy or This Policy**” means, “Policy on Policy on Determining Material Subsidiary(ies)”

“**Subsidiary**” means any Body Corporate as defined under Section 2(87) of the Companies Act, 2013, Regulation 2(1)(zm) of SEBI (LODR) Regulations, 2015 or any person as defined under applicable accounting standards.

“**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

“**Unlisted Subsidiary**” means any means subsidiary whose securities are not listed on any recognized Stock Exchange.

#### **IV. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

#### **V. MATERIALITY THRESHOLDS**

A subsidiary shall be considered as a Material Subsidiary, if as per the immediately preceding audited financial statements, its income or net worth exceeds twenty percent of the consolidated income or net worth, respectively, of the Company and its subsidiaries.

#### **VI. GOVERNANCE FRAMEWORK**

- a. The Board of Directors will determine and will verify whether the subsidiary of the Company is 'Material' as specified in Clause V 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 an unlisted material subsidiary, incorporated in India or not.
- 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 significant transactions and arrangements (individually or collectively), 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 for the immediately preceding accounting year, shall be presented for noting by the Board, at its meeting where audited 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 50%; or
  - ii. dispose of the shares held in material subsidiary(ies) which would result in cessation of 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.

#### **VII. AMENDMENTS**

Any changes in the Policy on account of regulatory requirements will be reviewed and recommended by the Audit Committee and the Board. The Audit Committee/Board will give suitable directions/guidelines to implement the same.

## **VIII. REGISTERS, DISCLOSURES AND REPORTING**

This Policy will be uploaded on the website of the Company namely, [www.abansholdings.com](http://www.abansholdings.com). The provisions of this Policy can be amended/modified by the Board of Directors of the Company from time to time and all such amendments/modifications shall take effect from the date stated therein.