

CENTRUM CAPITAL LIMITED

POLICY ON MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors (the “Board”) of Centrum Capital Limited (“the Company”) has adopted the following policy and procedures with regard to determination of “Material Subsidiaries” as defined below. The Board shall review and amend this policy from time to time.

This Policy is formulated in terms of Regulation 16 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

2. POLICY OBJECTIVE

The objective of the policy is to determine the “material subsidiaries” of the Company and to provide the governance framework for such subsidiaries.

3. DEFINITIONS

“Audit Committee or Committee” means “Audit Committee” constituted/re-constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI Listing Regulations and the Companies Act, 2013 & rules framed thereunder.

“Board of Directors” or “Board” means the Board of Directors of Centrum Capital Limited, as constituted/re-constituted from time to time.

“Chief Financial Officer”/ “CFO” means a person appointed as the Chief Financial Officer of the Company.

“Company” means Centrum Capital Limited.

“Independent Director” shall have the meaning assigned to it under Regulation 16(1)(b) of SEBI Listing Regulations.

“Policy” means Policy on Material Subsidiaries.

“Material Subsidiary” means, a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Significant Transaction or Arrangement” means 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.

“Subsidiary” has the meaning as assigned to it under the Companies Act, 2013 and the Rules framed thereunder.

4. POLICY

1. Atleast one Independent Director on the Board of Directors of the Company shall be a Director on the Board of an unlisted material subsidiary, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” means a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income 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, in particular, the investments made by the Unlisted Material Subsidiary Company.
3. The minutes of the Board Meetings of the Unlisted Material Subsidiary Companies shall be placed at the Board Meeting of the Company.
4. The CFO/ Managing Director should 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 Material Subsidiary Company.
5. The CFO/ Managing Director shall present to the Audit Committee annually the list of such material subsidiaries together with the details of the materiality defined herein.
6. Furthermore, where the Company has a listed Subsidiary which is itself a Holding Company, the above clauses of policy shall apply to the listed Subsidiary in so far as its Subsidiaries are concerned.

5. DISPOSAL OF MATERIAL SUBSIDIARY

The Company, without the approval of the Members by Special Resolution in its General Meeting, shall not:

- a) dispose of the shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty per cent); or
- b) cease the exercise of control over the Material Subsidiary.

The Company, without the prior approval of the Members by Special Resolution, shall not sell, dispose or lease the assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year.

However, where a divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, the aforesaid restrictions shall not apply.

6. DISCLOSURES

The Company shall disclose the Policy on the Company's website and a web link thereto shall be provided in the Annual Report.

The Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries shall be disclosed in the Corporate Governance Report forming part of the Annual Report as per Schedule V of SEBI Listing Regulations.

Note:

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<i>Adopted w.e.f. October 1, 2014</i>
<i>Reviewed on June 25, 2020</i>
<i>Reviewed on February 9, 2024</i>