

ARMAN HOLDINGS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PREAMBLE:

Arman Holdings Limited is committed to managing the affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

PHILOSOPHY:

To review the transactions involving Material Subsidiaries and also Material Non- listed Subsidiaries of the Company in the best interest of the Company and its stakeholders.

To ensure better transparency in the dealings and provide governance framework for such subsidiaries

REGULATION:

Section 188 of Companies Act, 2013 read with Rule 15 Companies (Meeting of Board and its Powers) Rules, 2014

Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

COVERAGE:

Material Subsidiaries includes a Company if:

- the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year, or
- the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material Non- listed Subsidiaries includes a subsidiary

- whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year

GOVERNANCE NORMS:

At least one Independent Director of the Company shall be a Director on the Board of Directors of a material non-listed Indian subsidiary company.

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by its subsidiary company.

The Minutes of the Board meetings of its subsidiary company shall be placed at the Board meeting of the Company.

The Management shall at least once in a year provide the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by its subsidiary company. Significant transaction 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 material unlisted subsidiary, for the immediately preceding accounting year.

The Audit Committee may provide that a particular transaction be undertaken post prior approval of the Board of Directors of the Company and / or that of the shareholders of the Company procured via Postal Ballot or at a general meeting.

The Audit Committee shall put in place mechanism to implement this policy and is also authorized to delegate any / all of its powers and duties herein to any Director(s) and / or officers of the Company.

AMENDMENTS:

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the policy entirely with a new policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this policy and to ensure governance of material subsidiary companies.

SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules shall prevail over this Policy.

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company, without the prior approval of the members by special resolution or a resolution with majority shall not:

- Dispose shares in the Material Subsidiary that reduces its shareholding either on its—own or together with other subsidiaries) to less than 50%; or
- Ceases the exercise of control over the Material Subsidiary; or
- Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;
- Except in cases of a scheme of arrangement duly approved by the Court / Tribunal.

DISCLOSURE OF THE POLICY:

This policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.