

# POLICY ON MATERIAL SUBSIDIARIES

EFFECTIVE DATE	24 <sup>TH</sup> JANUARY 2024
AMENDED DATE	---

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## 1. INTRODUCTION

The Board of Directors (**the “Board”**) of Sattrix Information Security Limited (**the “Company”**), has adopted this Policy for determination of “Material Subsidiaries” at its meeting held on January 24, 2024. The Board may review and amend this Policy from time to time. This Policy is in accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**the “Listing Regulations”**).

## 2. OBJECTIVE

The primary objective of this policy is to determine material subsidiaries of Sattrix Information Security Limited.

## 3. REGULATORY FRAMEWORK

This Policy on Material Subsidiaries shall be governed by the Companies Act, 2013 read with Rules made thereunder, as may be in force for the time being as well as LODR Regulations or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

## 4. DEFINITIONS

4.1 **“Company”** means Sattrix Information Security Limited.

4.2 **“Audit Committee or Committee”** means Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.

4.3 **“Board of Directors” or “Board”** means the Board of Directors of Sattrix Information Security Limited, as constituted from time to time.

4.4 **“Independent Director”** means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.

4.5 **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

4.6 **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4.7 **“Material Unlisted Indian Subsidiary”** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds twenty percent of the consolidated income

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or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4.8 **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent 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

4.9 **“Subsidiary”** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

## 5. SCOPE AND APPLICABILITY

5.1 The Subsidiary shall be considered as “Material” as defined in Clause 2.8.

5.2 In case if a listed holding Company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

## 6. POLICY ON MATERIAL SUBSIDIARIES

6.1 At least one Independent director on the Board of Directors of the Company shall be a director on the Board of directors of the unlisted Material Subsidiary, whether incorporated in India or not.

6.2 For the above mentioned clause 4.1, the term Material Subsidiary shall mean subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, notwithstanding anything to the contrary as defined in the Policy.

6.3 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.

6.4 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 Company.

6.5 The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

6.6 The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

6.7 The Company shall not without the prior approval of the Shareholders by way of Special resolution:

- A. Dispose off shares in its 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 the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board.

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B. Sell, dispose or lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board.

## 7. DISCLOSURE

The Policy, as amended from time to time, shall be placed on website of the Company, [www.sattrix.com](http://www.sattrix.com) and a web link thereto shall be provided in the Annual Report of the Company.

## 8. REVIEW AND AMENDMENTS TO THE POLICY

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. case of any conflict between the provisions of this Policy and of the statutory provisions, the statutory provisions shall prevail over this Policy. Any subsequent amendment/ modification in the statutory provisions shall automatically apply to this Policy.

## 9. SCOPE AND LIMITATION

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

## 10. PENALTY

Non-Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

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